

**Replies to initial written questions raised by Finance  
Committee Members in examining the Estimates of Expenditure 2008-09**

**Director of Bureau : Secretary for Commerce and Economic Development  
Session No. : 4**

**File name : CEDB(CIT)-e1.doc**

<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
<a href="#">CEDB(CIT)001</a>	1136	CHAN Bernard	152	Commerce and Industry
<a href="#">CEDB(CIT)002</a>	0569	CHAN Kam-lam	152	Posts, Competition Policy and Consumer Protection
<a href="#">CEDB(CIT)003</a>	0570	CHAN Kam-lam	152	Travel and Tourism
<a href="#">CEDB(CIT)004</a>	0571	CHAN Kam-lam	152	Travel and Tourism
<a href="#">CEDB(CIT)005</a>	0572	CHAN Kam-lam	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)006</a>	0573	CHAN Kam-lam	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)007</a>	1827	CHAN Kam-lam	152	Commerce and Industry
<a href="#">CEDB(CIT)008</a>	1829	CHAN Kam-lam	152	Commerce and Industry
<a href="#">CEDB(CIT)009</a>	2028	CHAN Wai-yip, Albert	152	Posts, Competition Policy and Consumer Protection
<a href="#">CEDB(CIT)010</a>	2029	CHAN Wai-yip, Albert	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)011</a>	1748	CHEUNG Yu-yan, Tommy	152	Commerce and Industry
<a href="#">CEDB(CIT)012</a>	0353	EU Yuet-mee, Audrey	152	Director of Bureau's Office Commerce and Industry Subvention: Hong Kong Trade Development Council Posts, Competition Policy and Consumer Protection Subvention: Consumer Council Travel and Tourism Subvention: Hong Kong Tourism Board Public Safety
<a href="#">CEDB(CIT)013</a>	0953	FANG Kang, Vincent	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)014</a>	1184	FANG Kang, Vincent	152	Commerce and Industry Travel and Tourism
<a href="#">CEDB(CIT)015</a>	1185	FANG Kang, Vincent	152	Commerce and Industry
<a href="#">CEDB(CIT)016</a>	1186	FANG Kang, Vincent	152	Commerce and Industry

<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
<a href="#">CEDB(CIT)017</a>	1187	FANG Kang, Vincent	152	Travel and Tourism
<a href="#">CEDB(CIT)018</a>	1188	FANG Kang, Vincent	152	Travel and Tourism
<a href="#">CEDB(CIT)019</a>	1189	FANG Kang, Vincent	152	Posts, Competition Policy and Consumer Protection
<a href="#">CEDB(CIT)020</a>	0907	HO Chung-tai, Raymond	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)021</a>	0908	HO Chung-tai, Raymond	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)022</a>	0439	KWONG Chi-kin	152	
<a href="#">CEDB(CIT)023</a>	0440	KWONG Chi-kin	152	Travel and Tourism
<a href="#">CEDB(CIT)024</a>	0441	KWONG Chi-kin	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)025</a>	0689	LAM Kin-fung, Jeffrey	152	Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)026</a>	0690	LAM Kin-fung, Jeffrey	152	Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)027</a>	0775	LAM Kin-fung, Jeffrey	152	
<a href="#">CEDB(CIT)028</a>	0776	LAM Kin-fung, Jeffrey	152	Commerce and Industry
<a href="#">CEDB(CIT)029</a>	0777	LAM Kin-fung, Jeffrey	152	Commerce and Industry
<a href="#">CEDB(CIT)030</a>	0778	LAM Kin-fung, Jeffrey	152	Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)031</a>	0779	LAM Kin-fung, Jeffrey	152	Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)032</a>	0780	LAM Kin-fung, Jeffrey	152	Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)033</a>	0781	LAM Kin-fung, Jeffrey	152	Subvention: Consumer Council
<a href="#">CEDB(CIT)034</a>	0782	LAM Kin-fung, Jeffrey	152	Posts, Competition Policy and Consumer Protection
<a href="#">CEDB(CIT)035</a>	1252	LAM Kin-fung, Jeffrey	152	Travel and Tourism
<a href="#">CEDB(CIT)036</a>	1253	LAM Kin-fung, Jeffrey	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)037</a>	1254	LAM Kin-fung, Jeffrey	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)038</a>	1255	LAM Kin-fung, Jeffrey	152	
<a href="#">CEDB(CIT)039</a>	1256	LAM Kin-fung, Jeffrey	152	
<a href="#">CEDB(CIT)040</a>	1257	LAM Kin-fung, Jeffrey	152	
<a href="#">CEDB(CIT)041</a>	1416	LAM Kin-fung, Jeffrey	152	Commerce and Industry
<a href="#">CEDB(CIT)042</a>	0210	LEUNG Kwan-yuen, Andrew	152	Commerce and Industry
<a href="#">CEDB(CIT)043</a>	0213	LEUNG Kwan-yuen, Andrew	152	Travel and Tourism

<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
<a href="#">CEDB(CIT)044</a>	0388	LEUNG Kwan-yuen, Andrew	152	Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)045</a>	0922	LI Wah-ming, Fred	152	Subvention: Consumer Council
<a href="#">CEDB(CIT)046</a>	0923	LI Wah-ming, Fred	152	Subvention: Consumer Council
<a href="#">CEDB(CIT)047</a>	0949	LI Wah-ming, Fred	152	Posts, Competition Policy and Consumer Protection
<a href="#">CEDB(CIT)048</a>	0950	LI Wah-ming, Fred	152	Posts, Competition Policy and Consumer Protection
<a href="#">CEDB(CIT)049</a>	0951	LI Wah-ming, Fred	152	Posts, Competition Policy and Consumer Protection
<a href="#">CEDB(CIT)050</a>	0952	LI Wah-ming, Fred	152	Posts, Competition Policy and Consumer Protection
<a href="#">CEDB(CIT)051</a>	1908	LI Wah-ming, Fred	152	Travel and Tourism
<a href="#">CEDB(CIT)052</a>	1909	LI Wah-ming, Fred	152	Travel and Tourism
<a href="#">CEDB(CIT)053</a>	1910	LI Wah-ming, Fred	152	Travel and Tourism
<a href="#">CEDB(CIT)054</a>	1911	LI Wah-ming, Fred	152	Travel and Tourism
<a href="#">CEDB(CIT)055</a>	1501	SHEK Lai-him, Abraham	152	Commerce and Industry
<a href="#">CEDB(CIT)056</a>	1503	SHEK Lai-him, Abraham	152	Travel and Tourism
<a href="#">CEDB(CIT)057</a>	1506	SHEK Lai-him, Abraham	152	Travel and Tourism
<a href="#">CEDB(CIT)058</a>	0121	SIN Chung-kai	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)059</a>	0122	SIN Chung-kai	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)060</a>	0123	SIN Chung-kai	152	Public Safety
<a href="#">CEDB(CIT)061</a>	0124	SIN Chung-kai	152	Public Safety
<a href="#">CEDB(CIT)062</a>	0125	SIN Chung-kai	152	
<a href="#">CEDB(CIT)063</a>	0126	SIN Chung-kai	152	Travel and Tourism
<a href="#">CEDB(CIT)064</a>	0127	SIN Chung-kai	152	
<a href="#">CEDB(CIT)065</a>	0128	SIN Chung-kai	152	
<a href="#">CEDB(CIT)066</a>	0129	SIN Chung-kai	152	
<a href="#">CEDB(CIT)067</a>	0384	SIN Chung-kai	152	Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)068</a>	0385	SIN Chung-kai	152	Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)069</a>	0386	SIN Chung-kai	152	Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)070</a>	2482	SIN Chung-kai	152	Commerce and Industry
<a href="#">CEDB(CIT)071</a>	2517	SIN Chung-kai	152	Travel and Tourism

<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
<a href="#">CEDB(CIT)072</a>	2518	SIN Chung-kai	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)073</a>	2519	SIN Chung-kai	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)074</a>	2520	SIN Chung-kai	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)075</a>	2521	SIN Chung-kai	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)076</a>	2522	SIN Chung-kai	152	Travel and Tourism
<a href="#">CEDB(CIT)077</a>	2523	SIN Chung-kai	152	Travel and Tourism
<a href="#">CEDB(CIT)078</a>	2524	SIN Chung-kai	152	
<a href="#">CEDB(CIT)079</a>	0843	TIEN Pei-chun, James	152	Travel and Tourism
<a href="#">CEDB(CIT)080</a>	1749	TIEN Pei-chun, James	152	Posts, Competition Policy and Consumer Protection
<a href="#">CEDB(CIT)081</a>	1750	TIEN Pei-chun, James	152	Subvention: Consumer Council
<a href="#">CEDB(CIT)082</a>	0536	TONG Ka-wah, Ronny	152	Commerce and Industry
<a href="#">CEDB(CIT)083</a>	0537	TONG Ka-wah, Ronny	152	Commerce and Industry
<a href="#">CEDB(CIT)084</a>	0538	TONG Ka-wah, Ronny	152	Commerce and Industry
<a href="#">CEDB(CIT)085</a>	0539	TONG Ka-wah, Ronny	152	Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)086</a>	0540	TONG Ka-wah, Ronny	152	Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)087</a>	0541	TONG Ka-wah, Ronny	152	Posts, Competition Policy and Consumer Protection
<a href="#">CEDB(CIT)088</a>	0542	TONG Ka-wah, Ronny	152	Posts, Competition Policy and Consumer Protection
<a href="#">CEDB(CIT)089</a>	0802	TONG Ka-wah, Ronny	152	Director of Bureau's Office
<a href="#">CEDB(CIT)090</a>	0803	TONG Ka-wah, Ronny	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)091</a>	0804	TONG Ka-wah, Ronny	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)092</a>	0805	TONG Ka-wah, Ronny	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)093</a>	0806	TONG Ka-wah, Ronny	152	
<a href="#">CEDB(CIT)094</a>	1370	TONG Ka-wah, Ronny	152	Subvention: Consumer Council
<a href="#">CEDB(CIT)095</a>	1371	TONG Ka-wah, Ronny	152	Subvention: Consumer Council
<a href="#">CEDB(CIT)096</a>	1372	TONG Ka-wah, Ronny	152	Travel and Tourism
<a href="#">CEDB(CIT)097</a>	1373	TONG Ka-wah, Ronny	152	Travel and Tourism
<a href="#">CEDB(CIT)098</a>	2093	TONG Ka-wah, Ronny	152	Travel and Tourism
<a href="#">CEDB(CIT)099</a>	2094	TONG Ka-wah, Ronny	152	Travel and Tourism

<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
<a href="#">CEDB(CIT)100</a>	2095	TONG Ka-wah, Ronny	152	Travel and Tourism
<a href="#">CEDB(CIT)101</a>	2096	TONG Ka-wah, Ronny	152	Travel and Tourism
<a href="#">CEDB(CIT)102</a>	2097	TONG Ka-wah, Ronny	152	Travel and Tourism
<a href="#">CEDB(CIT)103</a>	0881	WONG Ting-kwong	152	Travel and Tourism
<a href="#">CEDB(CIT)104</a>	0882	WONG Ting-kwong	152	Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)105</a>	0883	WONG Ting-kwong	152	Commerce and Industry
<a href="#">CEDB(CIT)106</a>	0884	WONG Ting-kwong	152	Commerce and Industry
<a href="#">CEDB(CIT)107</a>	2126	YOUNG Howard	152	Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)108</a>	2127	YOUNG Howard	152	Subvention: Consumer Council
<a href="#">CEDB(CIT)109</a>	2128	YOUNG Howard	152	Travel and Tourism
<a href="#">CEDB(CIT)110</a>	2129	YOUNG Howard	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)111</a>	2130	YOUNG Howard	152	Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)112</a>	1103	CHAN FANG On-sang, Anson	96	Commercial Relations
<a href="#">CEDB(CIT)113</a>	0354	EU Yuet-mee, Audrey	96	Commercial Relations Public Relations Investment Promotion
<a href="#">CEDB(CIT)114</a>	0551	KWONG Chi-kin	96	Commercial Relations
<a href="#">CEDB(CIT)115</a>	0783	LAM Kin-fung, Jeffrey	96	Commercial Relations Public Relations
<a href="#">CEDB(CIT)116</a>	0784	LAM Kin-fung, Jeffrey	96	Public Relations
<a href="#">CEDB(CIT)117</a>	0785	LAM Kin-fung, Jeffrey	96	
<a href="#">CEDB(CIT)118</a>	1258	LAM Kin-fung, Jeffrey	96	Commercial Relations
<a href="#">CEDB(CIT)119</a>	0208	LEUNG Kwan-yuen, Andrew	96	Public Relations
<a href="#">CEDB(CIT)120</a>	1353	TONG Ka-wah, Ronny	96	Investment Promotion
<a href="#">CEDB(CIT)121</a>	0499	WONG Ting-kwong	96	Public Relations
<a href="#">CEDB(CIT)122</a>	0500	WONG Ting-kwong	96	Public Relations
<a href="#">CEDB(CIT)123</a>	1322	WONG Ting-kwong	26	Trade Statistics
<a href="#">CEDB(CIT)124</a>	1323	WONG Ting-kwong	26	Trade Statistics
<a href="#">CEDB(CIT)125</a>	0437	KWONG Chi-kin	31	Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)126</a>	0438	KWONG Chi-kin	31	Intellectual Property Rights and Consumer Protection

<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
<a href="#">CEDB(CIT)127</a>	0215	LEUNG Kwan-yuen, Andrew	31	Control and Enforcement
<a href="#">CEDB(CIT)128</a>	2472	NG Margaret	31	Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)129</a>	2473	NG Margaret	31	Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)130</a>	2474	NG Margaret	31	Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)131</a>	0496	WONG Ting-kwong	31	Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)132</a>	0503	WONG Ting-kwong	31	Trade Controls
<a href="#">CEDB(CIT)133</a>	0634	WONG Ting-kwong	31	Control and Enforcement
<a href="#">CEDB(CIT)134</a>	1308	WONG Ting-kwong	31	Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)135</a>	1309	WONG Ting-kwong	31	Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)136</a>	2511	YOUNG Howard	31	Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)137</a>	2040	CHAN Kam-lam	33	Tourism and Recreational Development
<a href="#">CEDB(CIT)138</a>	2439	CHAN Wai-yip, Albert	33	Tourism and Recreational Development
<a href="#">CEDB(CIT)139</a>	2440	CHAN Wai-yip, Albert	33	Tourism and Recreational Development
<a href="#">CEDB(CIT)140</a>	1140	CHAN Bernard	78	
<a href="#">CEDB(CIT)141</a>	0359	EU Yuet-mee, Audrey	78	
<a href="#">CEDB(CIT)142</a>	0552	KWONG Chi-kin	78	Statutory Functions
<a href="#">CEDB(CIT)143</a>	0553	KWONG Chi-kin	78	Protection of Intellectual Property
<a href="#">CEDB(CIT)144</a>	0481	LAM Kin-fung, Jeffrey	78	Statutory Functions
<a href="#">CEDB(CIT)145</a>	0786	LAM Kin-fung, Jeffrey	78	
<a href="#">CEDB(CIT)146</a>	0787	LAM Kin-fung, Jeffrey	78	Statutory Functions
<a href="#">CEDB(CIT)147</a>	0219	LEUNG Kwan-yuen, Andrew	78	Statutory Functions
<a href="#">CEDB(CIT)148</a>	0220	LEUNG Kwan-yuen, Andrew	78	Protection of Intellectual Property
<a href="#">CEDB(CIT)149</a>	0221	LEUNG Kwan-yuen, Andrew	78	Statutory Functions
<a href="#">CEDB(CIT)150</a>	1111	LI Kwok-po, David	78	
<a href="#">CEDB(CIT)151</a>	2459	TAM Heung-man	78	Statutory Functions
<a href="#">CEDB(CIT)152</a>	0947	TIEN Pei-chun, James	78	Statutory Functions

<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
<a href="#">CEDB(CIT)153</a>	1276	TONG Ka-wah, Ronny	78	Protection of Intellectual Property
<a href="#">CEDB(CIT)154</a>	0837	WONG Ting-kwong	78	Statutory Functions
<a href="#">CEDB(CIT)155</a>	0838	WONG Ting-kwong	78	Protection of Intellectual Property
<a href="#">CEDB(CIT)156</a>	0839	WONG Ting-kwong	78	Statutory Functions
<a href="#">CEDB(CIT)157</a>	0840	WONG Ting-kwong	78	Statutory Functions
<a href="#">CEDB(CIT)158</a>	0355	EU Yuet-mee, Audrey	79	Investment Promotion
<a href="#">CEDB(CIT)159</a>	0479	KWONG Chi-kin	79	Investment Promotion
<a href="#">CEDB(CIT)160</a>	0223	LEUNG Kwan-yuen, Andrew	79	Investment Promotion
<a href="#">CEDB(CIT)161</a>	2088	SIN Chung-kai	79	Investment Promotion
<a href="#">CEDB(CIT)162</a>	2089	SIN Chung-kai	79	Investment Promotion
<a href="#">CEDB(CIT)163</a>	1275	TONG Ka-wah, Ronny	79	Investment Promotion
<a href="#">CEDB(CIT)164</a>	0497	WONG Ting-kwong	79	Investment Promotion
<a href="#">CEDB(CIT)165</a>	0498	WONG Ting-kwong	79	Investment Promotion
<a href="#">CEDB(CIT)166</a>	0841	WONG Ting-kwong	79	Investment Promotion
<a href="#">CEDB(CIT)167</a>	0574	CHAN Kam-lam	168	Weather Services
<a href="#">CEDB(CIT)168</a>	0575	CHAN Kam-lam	168	Weather Services
<a href="#">CEDB(CIT)169</a>	0361	EU Yuet-mee, Audrey	168	
<a href="#">CEDB(CIT)170</a>	1219	FUNG Kin-kee, Frederick	168	Weather Services
<a href="#">CEDB(CIT)171</a>	1220	FUNG Kin-kee, Frederick	168	
<a href="#">CEDB(CIT)172</a>	1221	FUNG Kin-kee, Frederick	168	Time Standard and Geophysical Services
<a href="#">CEDB(CIT)173</a>	1222	FUNG Kin-kee, Frederick	168	Weather Services
<a href="#">CEDB(CIT)174</a>	1223	FUNG Kin-kee, Frederick	168	Weather Services
<a href="#">CEDB(CIT)175</a>	1224	FUNG Kin-kee, Frederick	168	Weather Services
<a href="#">CEDB(CIT)176</a>	1225	FUNG Kin-kee, Frederick	168	Weather Services
<a href="#">CEDB(CIT)177</a>	1226	FUNG Kin-kee, Frederick	168	Weather Services
<a href="#">CEDB(CIT)178</a>	1227	FUNG Kin-kee, Frederick	168	Weather Services

<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
<a href="#">CEDB(CIT)179</a>	1228	FUNG Kin-kee, Frederick	168	Weather Services
<a href="#">CEDB(CIT)180</a>	2423	TAM Heung-man	168	Weather Services
<a href="#">CEDB(CIT)181</a>	0576	CHAN Kam-lam	181	Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)182</a>	0577	CHAN Kam-lam	181	Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)183</a>	1828	CHAN Kam-lam	181	Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)184</a>	1130	CHOW LIANG Shuk-ye, Selina	181	Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)185</a>	0356	EU Yuet-mee, Audrey	181	
<a href="#">CEDB(CIT)186</a>	0391	FUNG Kin-kee, Frederick	181	Commercial Relations
<a href="#">CEDB(CIT)187</a>	0392	FUNG Kin-kee, Frederick	181	Commercial Relations
<a href="#">CEDB(CIT)188</a>	0393	FUNG Kin-kee, Frederick	181	Trade Support and Facilitation
<a href="#">CEDB(CIT)189</a>	0394	FUNG Kin-kee, Frederick	181	Trade Support and Facilitation
<a href="#">CEDB(CIT)190</a>	0395	FUNG Kin-kee, Frederick	181	Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)191</a>	0396	FUNG Kin-kee, Frederick	181	
<a href="#">CEDB(CIT)192</a>	0482	LAM Kin-fung, Jeffrey	181	Trade Support and Facilitation
<a href="#">CEDB(CIT)193</a>	0211	LEUNG Kwan-yuen, Andrew	181	Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)194</a>	0216	LEUNG Kwan-yuen, Andrew	181	Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)195</a>	0217	LEUNG Kwan-yuen, Andrew	181	Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)196</a>	0218	LEUNG Kwan-yuen, Andrew	181	Commercial Relations
<a href="#">CEDB(CIT)197</a>	0501	WONG Ting-kwong	181	Trade Support and Facilitation
<a href="#">CEDB(CIT)198</a>	2508	YOUNG Howard	181	Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)199</a>	2509	YOUNG Howard	181	



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : Head 152 - Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

One of the jobs of the Bureau is to provide support to local business operating in the Mainland, and position Hong Kong as part of the Greater Pearl River Delta Region. What support will be given to those Hong Kong enterprises in Pearl Delta Region and other provinces in the Mainland, especially after the recently enacted Labour Contract Law and in view of the stringent business environment across the border?

Asked by : Hon. CHAN Bernard

Reply :

The Commerce and Economic Development Bureau will continue to maintain close liaison with the trade and Mainland authorities at various levels in 2008-09 to assist the trade to meet the challenges arising from the changing business environment in the Mainland, including the impact of the Labour Contract Law. Our actions include:

- reflecting the trade's views and making recommendations to the Mainland authorities especially before the promulgation of new policies and legislation wherever such is possible;
- through the Task Force to Support the Processing Trade, exploring with the trade measures to cope with the relevant adjustments;
- cooperating with the Guangdong Province, through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade, to assist Hong Kong enterprises to restructure and/or upgrade;
- organising symposiums and seminars to enhance the understanding of the trade on new policies and legislation, including those related to the Labour Contract Law;
- organising trade delegations to visit the central and western regions of the Mainland with a view to encouraging Hong Kong enterprises to relocate their operations and to explore new markets;
- through the "SME Funding Schemes", assisting SMEs to acquire equipment to upgrade

their operational and technical skills, and to restructure or relocate. Hong Kong enterprises may also apply for the “Innovation and Technology Fund” to improve their technological level, and to introduce more innovative concepts to their businesses;

- through industry support bodies such as the Hong Kong Trade Development Council and the Hong Kong Productivity Council, assisting Hong Kong enterprises to upgrade their technical level, restructure into foreign-invested enterprises, and develop new markets, etc.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

Examination of Estimates of Expenditure 2008-09  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**CEDB(CIT)002**

Question Serial No.

0569

Head : 152 Government Secretariat: Subhead (No. &  
Commerce and Economic Development Bureau title) :  
(Commerce, Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What is the estimated recurrent expenditure for the implementation of the competition law?  
Will additional manpower and resources be required? What is the estimated expenditure  
involved?

Asked by : Hon. CHAN Kam-lam

Reply :

In his 2007 Policy Address, the CE said that we would publish proposals for public discussion before introducing a Competition Bill in the 2008-09 legislative session. We aim to issue a document outlining the proposed major provisions before mid-2008.

Additional resources will be required for the effective implementation of the competition law and we will make reference to the requirements of overseas competition authorities and local statutory authorities when preparing the estimated resource requirements.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau  
(Commerce, Industry and Tourism  
Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

How much will be spent on improving the existing tourist attractions and facilities in 2008-09?  
Please list details on the project scope, expenditure, and works commencement and completion dates for each item?

Asked by : Hon. CHAN Kam-lam

Reply :

We shall allocate about \$41.97 million to improve existing tourist attractions and facilities in 2008-09. Details are as follows –

Item <sup>Note</sup>	Project Scope	Estimated Expenses in 2008-09 (\$ million)	Commencement / Estimated Commencement Date	Estimated Completion Date
Enhancement of public facilities at Ngong Ping, Lantau	Construction of a landscaped piazza in front of the Po Lin Monastery and upgrading of the supporting facilities at Ngong Ping to complement its tourism and recreation development.	27.2	June 2008	December 2009

Item <sup>Note</sup>	Project Scope	Estimated Expenses in 2008-09 (\$ million)	Commencement / Estimated Commencement Date	Estimated Completion Date
Peak Improvement Scheme	Reconstruction of the Peak piazza and streetscape improvement to various walking trails, use of a de-commissioned Peak Tram cabin as a visitor information centre, beautification of Mount Austin Playground, and provision of information boards on the historical background of the Peak, etc.	7.0	October 2005	June 2008
Enhancement of Footbridges in Tsim Sha Tsui East	Enhancement of two existing footbridges across Mody Road and Salisbury Road in Tsim Sha Tsui East, including refurbishment works, demolition of the existing footbridge ramps and provision of lifts at the original ramp locations, and associated works such as paving of footpath.	4.76	October 2008	October 2010
Visitor Signage Improvement Scheme	Installation of additional directional signs, mapboards and identification signs on Hong Kong Island, Kowloon and the New Territories with a view to providing a coordinated and easily identified system of signage for visitors.	3.01	April 2008	March 2009
<b>Total:</b>		<b>41.97</b>		

(Note: including tourist attractions and facilities under the Tourism District Enhancement Programme, but excluding conference and exhibition facilities.)

In addition, the remaining enhancement works under the Northeast New Territories Green Tourism Promotion Project, and the environmental and marine traffic impact assessment for the enhancement of the Lei Yue Mun waterfront will be carried out by relevant departments with their existing resources.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

Post Title Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)

Date 25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau  
(Commerce, Industry and Tourism  
Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

On the development and promotion of cultural tourism, what action plans are made for the pilot schemes this year? How will the provision allocated be used? How many new projects will be implemented? How about the effectiveness of previous tasks?

Asked by : Hon. CHAN Kam-lam

Reply :

The Tourism Commission, in collaboration with major performing arts groups and the tourism sector, established a working group in October 2007 to devise and implement a pilot scheme to promote cultural tourism in Hong Kong. The objectives of the pilot scheme are to –

- (a) provide a platform to facilitate the communication between performing arts groups and the tourism sector on promotion of our cultural and arts offerings to visitors;
- (b) upgrade Hong Kong Tourism Board's website for more effective promotion of upcoming event highlights to travel trade partners and overseas visitors; and
- (c) enhance the user-friendliness of the existing online ticketing system for internet booking by travel trade partners and individual overseas visitors to join arts and cultural activities in Hong Kong.

The pilot scheme is a new initiative aiming to leverage our arts and cultural products to enrich visitors' nightlife and travel experience. We will continue to join hands with the participating performing arts groups and tourism sector representatives to improve the marketing platform. Subject to market feedback, we look forward to expanding the scheme to include other interested performing arts groups and travel trade partners.

The pilot scheme will be implemented with existing resources. No additional expenses will be incurred.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

Examination of Estimates of Expenditure 2008-09  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)005

Question Serial No.

0572

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Provision for 2008-09 is reduced by more than \$50 m. This is mainly due to the decreased provision for project-based tourism initiatives. What are these tourism initiatives? Which tourism initiatives need additional provision? What is the expenditure incurred for new tourism initiatives?

Asked by : Hon. CHAN Kam-lam

Reply :

The amounts of recurrent subvention allocated to the Hong Kong Tourism Board (HKTB) in 2007-08 and 2008-09 are similar. The difference between the revised provision for 2007-08 and the estimated provision for 2008-09 is mainly due to the unspent balance of a non-recurrent provision earmarked for the "2006 Discover Hong Kong Year" promotion campaign carried forward from 2005-06 and 2006-07, and another non-recurrent provision for revamping HKTB's website.

Other than the provision under programme (7), the HKTB also receives additional non-recurrent provisions in 2008-09 to carry out some of its promotion work. For example, the Home Affairs Bureau has obtained additional funding for the promotion of Olympism, of which \$29.3 million was allocated to the HKTB for this purpose in 2007-08 and 2008-09. Moreover, under programme (6), an additional \$30 million has been earmarked for the HKTB to promote MICE (Meetings, Incentive travels, Conventions and Exhibitions) tourism.

In drawing up its work plan and marketing strategies, the HKTB has assessed the tourism development and opportunities in 2007 and widely consulted various stakeholders (including the tourism-related sectors and other trade partners). In 2008-09, HKTB will allocate more marketing resources in the Mainland by enhancing the promotional effort in non-Guangdong provinces and secondary cities, so as to increase market penetration and develop new sources of visitors. In addition, the HKTB will deploy more resources for the two high-potential markets, namely, the Philippines and South Korea. The HKTB will also increase investment in emerging markets, such as Russia, India and the Middle East. It is estimated that a total of \$175.3 million will be allocated for Mainland and overseas marketing promotion.



The HKTB will be committed to enhancing cost-effectiveness, broadening its sources of income, and exercising strict budget control in carrying out its promotion activities in 2008-09. Meanwhile the HKTB is reviewing its mega events organised with non-recurrent funding in the past. In the interim, the HKTB proposes to continue to organise mega events this year, drawing on its reserve if necessary. Events to be organised include a summer promotion campaign evolving from the Hong Kong Shopping Festival, a programme encompassing Christmas celebration and the New Year's Eve countdown, and a large-scale event in the Chinese New Year. The HKTB plans to complete the review of mega events this year, with a view to discussing the subvention arrangements with the Administration next year.

Signature	_____
Name in block letters	<u>MISS YVONNE CHOI</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)</u>
Date	<u>25.3.2008</u>

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the staff size and payroll cost of the Hong Kong Tourism Board in 2005, 2006 and 2007? Of these figures, what percentage did the senior management account for? What is the expected relevant expenditure for 2008-09?

Asked by : Hon. CHAN Kam-lam

Reply :

The establishment of staff and payroll costs of the Hong Kong Tourism Board, and those of its senior management, in 2005-06, 2006-07 and 2007-08 are as follows –

	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
Establishment of Staff	321	327	325
Payroll Costs (\$M) <sup>Note 1</sup>	135.45	139.29	143.14 (Revised Estimate)
Establishment of Senior Management <sup>Note 2</sup>	13	13	13
Percentage of the establishment of senior management against the establishment of staff	4%	4%	4%
Percentage of payroll costs for the senior management against the payroll costs for all staff	17%	18%	14%

Note 1: Payroll costs include basic salary, gratuity, variable pay and the 13th month salary.

Note 2: Senior management includes Executive Director, Deputy Executive Director, General Managers and Regional Directors.

Relevant estimated expenditure in 2008-09 is \$158.41 million.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

Examination of Estimates of Expenditure 2008-09  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)007

Question Serial No.

1827

Head : Head 152 - Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Apart from communicating with the Mainland at the government level, are there any specific initiatives or projects to be implemented in 2008-09 to assist Hong Kong businessmen in the Mainland with their restructuring and relocation? In this connection, will new posts be created or new teams set up? If so, what is the estimated amount of expenditure?

Asked by : Hon. CHAN Kam-lam

Reply :

The Commerce and Economic Development Bureau will continue to maintain close liaison with the trade and Mainland authorities at various levels in 2008-09 to assist the trade to meet the changes in Mainland's processing trade policy. Relevant measures include:

- reflecting the trade's views and making recommendations to the Mainland authorities especially before the promulgation of new policies and legislation wherever such is possible;
- through the Task Force to Support the Processing Trade, exploring with the trade measures to cope with the relevant adjustments;
- cooperating with the Guangdong Province, through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade, to assist Hong Kong enterprises to restructure and/or upgrade;
- organising symposiums and seminars to enhance the understanding of the trade on new policies and legislation;
- organising trade delegations to visit the central and western regions of the Mainland with a view to encouraging Hong Kong enterprises to relocate their operations and to explore new markets;
- through the "SME Funding Schemes", assisting SMEs to acquire equipment to upgrade their operational and technical skills, and to restructure or relocate. Hong Kong

enterprises may also apply for the “Innovation and Technology Fund” to improve their technological level, and to introduce more innovative concepts to their businesses;

- through industry support bodies such as the Hong Kong Trade Development Council and the Hong Kong Productivity Council, assisting Hong Kong enterprises to upgrade their technical level, restructure into foreign-invested enterprises, and develop new markets, etc.

The above measures are part of the existing work of this Bureau and relevant departments and organizations, and will be covered under existing resources. We have no plan to create a new establishment or form a new team for the subject.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

Examination of Estimates of Expenditure 2008-09  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)008

Question Serial No.

1829

Head : 152 Government Secretariat: Subhead (No. &  
Commerce and Economic Development Bureau title) :  
(Commerce, Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With respect to inward investment promotion, what policies have been formulated in 2007? What are the outcomes? Which of these policies will continue to be implemented in 2008-09? Will there be any new policies for attracting investment? What is the estimated expenditure?

Asked by : Hon. CHAN Kam-lam

Reply :

In order to maintain and develop Hong Kong as a leading international business centre in Asia, our policy, all along, has been and will continue to proactively attract foreign direct investment to and retain them in Hong Kong. Invest Hong Kong (InvestHK) is responsible for spearheading Hong Kong's efforts to attract foreign direct investment. We will continue to implement our policy to achieve the maximum results.

In 2007, InvestHK has, in implementing the above policy,

- (i) increased its promotion efforts to enhance Hong Kong's image and to attract overseas and Mainland investors. These included, on-going promotion efforts in major target markets e.g. the US, Western Europe and Japan and intensified promotion efforts in the Mainland, India and Latin America;
- (ii) produced a series of interviews with foreign investors who have established their presence in Hong Kong before 1997 to tie in with the 10<sup>th</sup> Anniversary celebration of the HKSAR;
- (iii) launched a nation-wide marketing campaign in the Mainland comprising a series of seminars and workshops in selected locations, and supported by advertising and public relation campaigns;
- (iv) sponsored international events in overseas markets to reach out to potential investors in particular business sectors and raise their awareness of Hong Kong as an ideal investment location;

- (v) organised a series of joint promotions seminars with Guangdong and Fujian Provinces and major Pearl River Delta cities in overseas markets with a view to attracting investors to Hong Kong as a gateway to the Mainland; and
- (vi) continued with other ongoing investment promotion efforts.

With all these efforts, the department successfully assisted 253 overseas, Mainland and Taiwan companies in setting up or expanding operations in Hong Kong in 2007, involving a total investment amount of over \$8.3 billion. These companies expect the projects to lead to the creation of over 8 100 jobs, including the immediate creation of more than 3 100 jobs and the creation of at least 5 000 jobs in Hong Kong in the next two years as the companies expand.

In 2008, InvestHK has set a target to facilitate at least another 250 new investment projects. To achieve this, InvestHK will:

- (i) continue to promote the corporate identity and image of the Department through various public relations opportunities and activities including the nation-wide publicity campaign in the Mainland;
- (ii) implement various business plans in collaboration with its Investment Promotion Units (IPUs) in the relevant Hong Kong Economic and Trade Offices, Beijing Office and external consultants engaged in different strategic locations not covered by the IPUs;
- (iii) continue the activities on investment promotion both internationally, and in the Mainland and Taiwan; and
- (iv) continue the joint overseas marketing activities with Pearl River Delta cities and increase promotion of CEPA in overseas markets.

Investment promotion is an on-going task. The provision to InvestHK for 2008-09 is \$109.3 million.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. &  
Commerce and Economic Development Bureau title) :  
(Commerce, Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Administration will seek to introduce the draft Competition Bill into the Legislative Council in 2008-09. Please advise on the details of the initiative and the expenditure involved.

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

In November 2006, we issued a public discussion document, entitled "Promoting Competition: Maintaining our Economic Drive", and invited views from the public on the way forward for Hong Kong's competition policy. The public showed general support for the recommendations of introducing a cross-sector competition law and the establishment of an independent Competition Commission to implement the law.

Before tabling a draft Bill in the Legislative Council in 2008-09, we will issue a consultation paper on the proposed major provisions of the law. To help ensure that we make good progress with this complex task, in June 2007 we appointed a consultant to provide expert advice on issues relating to the development of competition law. In 2007-08 the cash flow requirement for this consultancy is estimated to be approximately \$10 million. Our forecast for 2008-09 is that the cash flow will be around \$6 million.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

20.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau  
(Commerce, Industry and Tourism  
Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Administration indicates that it will ride on the 2008 Beijing Olympics and the Equestrian Events in Hong Kong to promote Hong Kong as an Olympic co-host city; to capture pre- and post- Beijing stopover visits to Hong Kong and target equestrian fans worldwide to visit Hong Kong; and to join hands with the community and the Government to create an Olympic atmosphere by organizing mega events with an Olympic focus. Please advise on the details of the initiatives and the expenditure involved.

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

Being an Olympic co-host city will bring long-term benefits to Hong Kong. The Hong Kong Tourism Board (HKTB) will leverage this advantage when promoting Hong Kong. The publicity and promotional programmes for the Olympic Games will raise Hong Kong's exposure and international profile, enhance the tourism experience of our visitors, and entice them to revisit Hong Kong and recommend our city to their friends and families. The HKTB fully supports the Government's efforts and will implement a number of promotional activities locally and overseas to reinforce Hong Kong's image as an Olympic co-host city. The work will be completed in 2007-08 and 2008-09. The estimated budget for the promotional activities in 2008-09 is as follows -

	2008-09 Budget (\$ m)
Promotion in countries participating in the Olympic Equestrian Events and other selected markets	4.1
Promotion of multi-destination itineraries in overseas markets	2.9
Organisation of a summer booster campaign in short-haul markets and Guangdong	4.2
Cultivating Olympic ambience in Hong Kong	9.0
Total	20.2

The above activities will be funded partly under Head 53 Home Affairs Bureau Sub-head 700 Item 866 "Promotion of Olympism".

Signature	_____
Name in block letters	MISS YVONNE CHOI
	Permanent Secretary for Commerce and Economic Development
Post Title	(Commerce, Industry and Tourism)
Date	25.3.2008

Examination of Estimates of Expenditure 2008-09  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)011

Question Serial No.

1748

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is stated in the Matters Requiring Special Attention in 2008-09 that the Administration will work with the industry to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital. Will the Administration include the efforts in supporting the policy of exempting the duties on wine and beer in its work, with a view to enhancing the appeal of Hong Kong as the trading and distribution centre of quality table wine for the world? If yes, please advise on the details and the relevant plans.

Asked by : Hon. CHEUNG Yu-yan, Tommy

Reply :

The Administration will make concerted efforts to leverage on the opportunities presented by the exemption of wine duty for enhancing Hong Kong's competitiveness in attracting wine trading and distribution business. We will follow through the legislative amendments required for removing the licensing / permit arrangements needed to administer the duty collection system, thereby facilitating the related business. In parallel, we will act together with the relevant agencies in synchronising publicity/promotion work in different areas, and in bolstering the development of economic activities which may have synergy with wine trading, such as tourism, catering and hospitality, wine auction and storage etc.

For example, the Hong Kong Trade Development Council will organize the first "2008 Hong Kong International Wine Expo" in August this year, in tandem with the "Food Expo" to be held at the same time, with a view to promoting Hong Kong as Asia's premier wine trading and exhibition platform. We expect that this Wine Expo and other large scale wine exhibitions (such as the one to be held in Hong Kong in May) will attract a good number of business executives to Hong Kong. The Hong Kong Tourism Board will take the opportunity to market suitable tourism products for and provide hospitality services to these visitors. By enriching their travel experience in Hong Kong, this would help enhance Hong Kong's appeal as an international convention, exhibition and tourism capital.

Meanwhile, we are consulting the industry about the need for any facilitation measures on manpower training and wine storage facilities.

Signature	_____
Name in block letters	MISS YVONNE CHOI
	Permanent Secretary for Commerce and Economic Development
Post Title	(Commerce, Industry and Tourism)
Date	25.3.2008

Examination of Estimates of Expenditure 2008-09  
**CONTROLLING OFFICER'S REPLY TO  
 INITIAL WRITTEN QUESTION**

Reply Serial No.

**CEDB(CIT)012**

Question Serial No.

0353

Head : 152 Government Secretariat: Subhead (No. & title) : -  
 Commerce and Economic  
 Development Bureau (Commerce,  
 Industry and Tourism Branch)

Programme : (1) to (8)

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
 (Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the studies (including in-house studies or those entrusted to consultants) conducted by the Bureau for the purposes of formulating and assessing policies, please provide the relevant information in the following format:

- 1) For the projects that have reserved funds for conducting consultancy studies in 2007-08, please provide information in the following format:

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning/in progress/completed)	The follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?

- 2) Is there any project that will reserve funds for conducting consultancy study in 2008-09? If yes, please provide the following information:

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning/in progress/completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If no, what are the reasons?

Asked by : Hon. EU Yuet-mee, Audrey

Reply :

- 1) Projects that have reserved funds for conducting consultancy studies in 2007-08 are listed as follows:

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning/ in progress/ completed)	The follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?
Arculli, Fong & Ng, Gilbert + Tobin	To provide expert services in relation to the introduction of a competition law.	10,152,000	In progress	In respect of the details of the proposed law, the Consultant is studying the overseas experience.	Not applicable
Pricewaterhouse -Coopers Limited	As a follow up study on previous cost-effective ness study on InvestHK, it will review the strategy for promotion of inward investment.	960,000	In progress	The Administration is following up with the Consultant on the preliminary findings of the study.	Not applicable
iASPEC Services Limited	Review of the technical architecture and the delivery of the Government Electronic Trading Services.	656,640	Completed	We have briefed the LegCo Panel on Commerce and Industry in November 2007 on the arrangements for the provision of GETS beyond 2009, after considering the recommendations of the consultants.	No, the consultancy report contained sensitive market information.

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning/ in progress/ completed)	The follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?
Office of the Telecommunication Authority	Review of the Regulatory Framework of the Government Electronic Trading Services.	891,000	Completed	Ditto	Ditto
UBS AG	To provide initial advice to the Government on the long-term financial arrangement for the Hongkong International Theme Parks Limited.	1,300,000	In progress	The Government is monitoring the study progress.	Not applicable
Evans & Peck (HK) Co Ltd	A business consultant has been appointed to assess the financial viability, business potential and institutional arrangement on future implementation of the Aberdeen Tourism Project.	129,800	In progress	The Government is monitoring the study progress.	Not applicable

2) Projects that will reserve funds for conducting consultancy study in 2008-09 are listed as follows:

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning/in progress/completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If no, what are the reasons?
Not available yet (the relevant tendering exercise is being conducted)	To study the demand and supply of exhibition facilities in Hong Kong.	1,300,000	Under planning	The Government will make reference to the results of the consultancy study when assessing and planning for the supply of exhibition facilities in Hong Kong. To quote and make the results available to the public as appropriate.
Arculli, Fong & Ng, Gilbert + Tobin	To provide expert services in relation to the introduction of a competition law.	6,000,000	In progress	The results are expected to be reflected in the coming competition law and the related documents.
Pricewaterhouse-Coopers Limited	As a follow up study on previous cost-effectiveness study on InvestHK, it will review the strategy for promotion of inward investment	2,240,000	In progress	The Government will review investment promotion related activities based on the results of the study.



Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning/in progress/ completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If no, what are the reasons?
UBS AG	To continue the consultancy in 2007-08.	1,200,000	In progress	The advice from the Consultant is for Government's internal consideration.
Evans & Peck (HK) Co Ltd	To continue the consultancy in 2007-08.	1,170,200	In progress	To be released to the public through press release and web site after the completion of the consultancy study.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Post Title \_\_\_\_\_

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The estimate for 2008-09 is \$57.7 million lower than the revised estimate for 2007-08. In this connection, what is the amount of reduction in non-recurrent expenditure for tourism promotion and revamping of the website? What are the tourism promotion initiatives with a cut in funding? Please state the reasons. Is it because promotion events have been cut in general?

Asked by : Hon. FANG Kang, Vincent

Reply :

The amounts of recurrent subvention allocated to the Hong Kong Tourism Board (HKTB) in 2007-08 and 2008-09 are similar. The difference between the revised provision for 2007-08 and the estimated provision for 2008-09 is mainly due to the unspent balance (\$69.02 million) of a non-recurrent provision earmarked for the "2006 Discover Hong Kong Year" promotion campaign carried forward from 2005-06 and 2006-07, and another non-recurrent provision (\$4.68 million) for revamping HKTB's website.

The activities funded by non-recurrent provision are mainly mega events. This year, the HKTB proposes to continue organising mega events, drawing on its reserve if necessary. Events to be organised include a summer promotion campaign evolving from the Hong Kong Shopping Festival, a programme encompassing Christmas celebration and the New Year's Eve countdown, and a large-scale event in the Chinese New Year. The HKTB plans to complete the review of mega events this year, with a view to discussing the subvention arrangements with the Administration next year.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

Examination of Estimates of Expenditure 2008-09  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)014

Question Serial No.

1184

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry  
(6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Administration will work with the industry to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital in 2008-09. Please advise on the details of the co-operation plans and whether special financial provision is necessary. Is the creation of five posts related to this area of work?

Asked by : Hon. FANG Kang, Vincent

Reply :

To enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital, the Government will seek to host more mega international conventions and exhibitions. The Government will step up efforts in overseas promotion and aim to attract more high quality convention and exhibition projects that will bring high value-added business travellers to Hong Kong. The Financial Secretary has earmarked \$150 m in "The 2008-09 Budget" to enhance the promotion of MICE (Meetings, Incentive Travels, Conventions and Exhibitions) in the next five years.

The Government has invited the Hong Kong Tourism Board (HKTB) to take forward this Budget initiative and earmarked \$30 m in 2008-09 under Programme (6) for this purpose. The HKTB plans to step up its global publicity to raise Hong Kong's MICE profile and provide one-stop professional support for prestigious MICE events to be hosted in Hong Kong. Specific tasks include -

- (a) to provide one-stop support for MICE event organisers, assist event organisers to identify and bid for large-scale conventions and exhibitions;
- (b) to work in partnership with the Hong Kong Trade Development Council and the Government's Economic and Trade Offices overseas to step up efforts to promote Hong Kong as an ideal destination for conventions and exhibitions and drive attendance for MICE events hosted in Hong Kong; and

- (c) to cross-sell tourism products so as to enhance the travel experience of event participants.

The 5 new posts to be created under Programme (2) are mainly to address increased workload arising from the re-organisation of the Government Secretariat w.e.f. 1 July 2007 and to address long-term manpower requirement in respect of information technology support for Commerce, Industry and Tourism Branch and overseas Economic and Trade Offices.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

Examination of Estimates of Expenditure 2008-09  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**CEDB(CIT)015**

Question Serial No.

1185

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

During 2008-09, the Administration will introduce subsidiary legislation related to the Copyright (Amendment) Ordinance 2007 into the Legislative Council. What is the legislative timetable? Will the legislation be implemented by phases? What is the expenditure involved for rolling out the related publicity and public education programmes?

Asked by : Hon. FANG Kang, Vincent

Reply :

The Copyright (Amendment) Ordinance 2007 (“the Amendment Ordinance”) was passed by the Legislative Council in mid-2007. While certain provisions have come into force upon the enactment of the Amendment Ordinance, the remaining provisions (notably the new liabilities) are to come into operation by phases. We aim to submit the relevant subsidiary legislation (i.e. the “safe harbour” regulation) to the Legislative Council in April 2008, in time for it to be considered by the current legislature.

To tie in with the commencement of the Amendment Ordinance, we have earmarked \$4.3 million in 2008-09 for the Intellectual Property Department to continue with the Software Asset Management Consultancy Programme and the public education programmes relating to the Amendment Ordinance. After the approval of the “safe harbour” regulation, the Administration will roll out another round of publicity and public education programmes before firming up the actual commencement date for the relevant provisions.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

Examination of Estimates of Expenditure 2008-09  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**CEDB(CIT)016**

Question Serial No.

1186

Head : Head 152 - Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In 2008-09, the Administration will continue to assist the trade to adjust to changes in Mainland's policy on processing trade through industrial restructuring and upgrading, relocating their operations and developing new markets. What are the details of the relevant work? Has funding been reserved for those industries in need to undergo industrial upgrading or develop new markets?

Asked by : Hon. FANG Kang, Vincent

Reply :

The Commerce and Economic Development Bureau will continue to maintain close liaison with the trade and Mainland authorities at various levels in 2008-09 to assist the trade to meet the changes in Mainland's processing trade policy. Relevant measures include:

- reflecting the trade's views and making recommendations to the Mainland authorities especially before the promulgation of new policies and legislation wherever such is possible;
- through the Task Force to Support the Processing Trade, exploring with the trade measures to cope with the relevant adjustments;
- cooperating with the Guangdong Province, through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade, to assist Hong Kong enterprises to restructure and/or upgrade;
- organizing symposiums and seminars to enhance the understanding of the trade on new policies and legislation;
- organizing trade delegations to visit the central and western regions of the Mainland with a view to encouraging Hong Kong enterprises to relocate their operations and to explore new markets;
- through the "SME Funding Schemes", assisting SMEs to acquire equipment, to upgrade their operational and technical skills, to restructure or relocate, and to promote

and develop new markets. Hong Kong enterprises may also apply for the “Innovation and Technology Fund” to improve their technological level, and to introduce more innovative concepts to their businesses;

- through industry support bodies such as the Hong Kong Trade Development Council and the Hong Kong Productivity Council, assisting Hong Kong enterprises to upgrade their technical level, restructure into foreign-invested enterprises, and develop new markets, etc.

The above measures are part of the existing work of this Bureau and relevant departments and organizations, and will be covered under existing resources. Funding for relevant initiatives such as the “SME Funding Schemes” has already been approved. We are unable to provide a breakdown for the resources involved in measures to assist the trade to adapt to adjustments in processing trade policy.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

Examination of Estimates of Expenditure 2008-09  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)017

Question Serial No.

1187

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

An additional provision of \$30m has been earmarked in 2008-09 for the Hong Kong Tourism Board (HKTB) to raise Hong Kong's MICE (Meetings, Incentive Travels, Conventions and Exhibitions) profile through global publicity. Is this a one-off provision or recurrent expenditure? As the HKTB is responsible for marketing MICE, does it mean that it will also take on the role of promoting the development of the convention and exhibition industry in Hong Kong?

Asked by : Hon. FANG Kang, Vincent

Reply :

The Financial Secretary has earmarked \$150 m in "The 2008-09 Budget" to enhance the promotion of MICE (Meetings, Incentive Travels, Conventions and Exhibitions) in the next five years. The Government has invited the Hong Kong Tourism Board (HKTB) to take forward this Budget initiative and earmarked \$30 m in 2008-09 under Programme (6) for this purpose. The HKTB plans to step up its global publicity to raise Hong Kong's MICE profile and provide one-stop professional support for prestigious MICE events to be hosted in Hong Kong. This is a non-recurrent allocation.

For implementing this Budget initiative, the HKTB is prepared to -

- (a) provide one-stop support for MICE event organisers, assist event organisers to identify and bid for large-scale conventions and exhibitions;
- (b) step up efforts to promote Hong Kong as an ideal destination for conventions and exhibitions and drive attendance overseas for MICE events hosted in Hong Kong; and
- (c) cross-sell tourism products so as to enhance the travel experience of event participants.

Promoting further development of the convention and exhibition industry in Hong Kong requires the concerted efforts of the Government, various public institutions. These include the HKTB, Hong Kong Trade Development Council, Invest Hong Kong, and Hong Kong



Economic and Trade Offices overseas and the trade. To strengthen the coordination, the Tourism Commission will establish an Alliance Group (AG) with these parties in order to maximize the synergy of overseas promotion and to actively attract more conventions and exhibitions to be hosted in Hong Kong. The AG will liaise closely with trade organizations and leaders of the MICE sector from time to time to gauge market needs and facilitate promotion work.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 – Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Tourism Commission will create 6 posts in 2008-09. What is the expenditure involved?  
What are the duties of these posts?

Asked by : Hon. FANG Kang, Vincent

Reply :

The Tourism Commission plans to create 6 civil service posts to replace progressively the existing non-civil-service contract posts to cope with the long-term manpower requirement for tourism development work. There is no increase in the total number of staff arising from the creation of these posts, which include 2 Senior Executive Officers and 4 Executive Officers I. Their main duties are to assist in the implementation of tourism projects, coordinating with relevant stakeholders to facilitate staging of tourism events in Hong Kong, and enhancing the service quality of the tourism industry. The expenditure involved is \$3.4 m in total.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. &  
Commerce and Economic Development Bureau title) :  
(Commerce, Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The estimate for 2008-09 is \$4.2 m (or 24.4%) lower than the revised estimate for 2007-08. This is mainly due to the decreased cash flow requirement for a consultancy study on competition. What is the total expenditure of this study? Has the study been completed? Is it necessary to allocate provision in 2008-09 for the promulgation of competition policy? If yes, what is the expenditure involved?

Asked by : Hon. FANG Kang, Vincent

Reply :

In June 2007, we appointed a consultant to provide expert advice on issues relating to the development of competition law. In 2007-08 the cash flow requirement is estimated to be approximately \$10 million. Our forecast for 2008-09 is that the cash flow will be around \$6 million. As regards the promulgation of competition policy, we plan to issue a public consultation document that sets out the proposed major provisions of the competition law. The estimated cost of this exercise in 2008-09 is \$0.1 million.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding Russia which is to be developed as an emerging market, please list the Tourism Board's promotional activities and the estimated expenditure for 2008-09.

Asked by : Hon. HO Chung-tai, Raymond

Reply :

In 2008-09, the Hong Kong Tourism Board (HKTB) will allocate more resources to Russia, which is considered to be an emerging market. About HK\$2.1 million will be allocated to pursue the following promotion work -

- Targeting Moscow for intensive promotion: Russian visitors to Hong Kong mostly come from Moscow, which is a travel trade hub in Russia. The HKTB will first focus on establishing network with the local travel trade in Moscow through seminars and workshops to enhance their understanding of Hong Kong. The HKTB will then expand its promotion to another key city, St Petersburg.
- Stepping up consumer promotion and public relation activities to enhance consumers' awareness of Hong Kong: these activities include –
  - in view of Russian visitors' interests in shopping and the traditional culture of Hong Kong, to collaborate with Russian lifestyle magazines and TV stations to promote Hong Kong's diversified tourism attractions;
  - to capitalise the 2008 Beijing Olympics and Equestrian Events to enhance Hong Kong's exposure in Russia. Russian media will be invited to experience and report tourism events and activities held in Hong Kong;
  - to launch joint promotion with trade and non-trade partners to attract high-spending arrivals from Russia; and
  - to enhance the content of HKTB's consumer website in Russian language.
- in view of Russians' preference for "multi-destination" itineraries comprising Hong Kong, the Mainland and nearby regions, and that they are especially interested in "sunshine and beach" trips, the HKTB will join hands with the China National Tourism Administration and relevant Mainland provincial tourism authorities, as well as tourism organisations of Thailand and the Philippines, to promote combo itineraries including Hong Kong.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In 2008-09, will the Hong Kong Tourism Board promote Hong Kong's tourism in the Middle East and the Gulf Area? If so, please provide information on the detailed promotion programmes and the estimated expenditure.

Asked by : Hon. HO Chung-tai, Raymond

Reply :

The Middle East covers a number of countries. For this region, the Hong Kong Tourism Board (HKTB) will target its promotion efforts at high-potential countries. After analysing the Middle East's market situation and development potential, the HKTB has identified the Gulf Cooperation Council countries, which include United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar and the Emirates of Kuwait, as its promotion targets.

In 2008-09, the HKTB will allocate about HK\$2.5 million, representing an increase of 80% over 2007-08, for promotion in these countries. The detailed work plan is as follows –

- to appoint a representative in Dubai of the United Arab Emirates to strengthen cooperation with travel trade in the Middle East and launch consumer promotion and publicity work;
- to enhance consumers' awareness of Hong Kong through the "Hong Kong – Live it, Love it!" marketing platform, and by inviting the local media of these countries to Hong Kong for familiarisation visits so as to facilitate the production of travel programmes to promote Hong Kong's living culture and highlight our world-renowned shopping, dining and nightlife facilities; and
- to participate in major travel trade shows in Dubai together with Hong Kong trade partners, organise training and seminars for the Middle East travel trade to enhance their understanding of Hong Kong's tourism products, and encourage them to promote Hong Kong to their clients.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead -  
Commerce and Economic Development Bureau (No. & title) :  
(Commerce, Industry and Tourism Branch)

Programme : -

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The establishment ceiling 2008-09 shows that the estimated 153 non-directorate posts in 2008 will rise by 12 posts to 165 posts as at 31 March 2009. Please give details of the 12 posts to be created. What are the reasons for creating such posts? How much resources will be involved?

Asked by : Hon. KWONG Chi-kin

Reply :

Details of the 12 new posts to be created in 2008-09 are as follows:

Post	Reason for creation	Salary Provision (\$million)
1 Senior Personal Secretary	To provide administrative support for the new Under Secretary position to be created under the Political Appointment System.	0.4
1 Information Officer 1 Assistant Information Officer 1 Executive Officer II	To address increased workload in Commerce, Industry and Tourism Branch arising from the re-organisation of the Government Secretariat w.e.f. 1 July 2007.	1.2
1 Systems Manager 1 Analyst/Programmer I	To replace non-civil service contract positions so as to address long-term manpower requirement in respect of information technology support for Commerce, Industry and Tourism Branch and overseas Economic and Trade Offices.	1.2
2 Senior Executive Officer 4 Executive Officer I	The Tourism Commission plans to create 6 civil service positions to replace progressively the existing non-civil service contract posts to cope with the long-term manpower requirement for tourism development work. There is no increase in the total number of staff arising from the creation of the posts.	3.4
	Total	6.2



Signature	_____
Name in block letters	<u>MISS YVONNE CHOI</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)</u>
Date	<u>25.3.2008</u>

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the financial provision for travel and tourism, the actual provision for 2006-2007 was \$48 million, and the original estimate for 2007-2008 was over \$52 million. For 2008-09, it is estimated to be increased to \$82 million, representing an increase of 57.1%. Why is the amount almost doubled? Please give the details on how the increased provision will be spent.

Asked by : Hon. KWONG Chi-kin

Reply :

The Financial Secretary has earmarked \$150 m in "The 2008-09 Budget" to enhance the promotion of MICE (Meetings, Incentive Travels, Conventions and Exhibitions) in the next five years. The Government has invited the Hong Kong Tourism Board (HKTB) to take forward this Budget initiative and earmarked \$30 m in 2008-09 under Programme (6) for this purpose. The HKTB plans to step up its global publicity to raise Hong Kong's MICE profile and provide one-stop professional support for prestigious MICE events to be hosted in Hong Kong. Specific tasks include -

- (a) to provide one-stop support for MICE event organisers, assist event organisers to identify and bid for large-scale conventions and exhibitions;
- (b) to work in partnership with the Hong Kong Trade Development Council and the Government's Economic and Trade Offices overseas to step up efforts to promote Hong Kong as an ideal destination for conventions and exhibitions and drive attendance for MICE events hosted in Hong Kong; and
- (c) to cross-sell tourism products so as to enhance the travel experience of event participants.

In light of the above, the provision for 2008-2009 under Programme (6) is \$30 m (57.1%) higher than the revised estimate for 2007-08.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The estimated provision for the Hong Kong Tourism Board in 2008-09 is \$480 million plus, representing a reduction of almost 10.7% from the provision of \$540 million plus in 2007-08. What is the reason for the reduction in the order of about 10%? Which area(s) among the reasons for different initiatives bear the biggest cut? Why is the reduction possible?

Asked by : Hon. KWONG Chi-kin

Reply :

The amounts of recurrent subvention allocated to the Hong Kong Tourism Board (HKTB) in 2007-08 and 2008-09 are similar. The difference between the revised provision for 2007-08 and the estimated provision for 2008-09 is mainly due to the unspent balance of a non-recurrent provision earmarked for the "2006 Discover Hong Kong Year" promotion campaign carried forward from 2005-06 and 2006-07, and another non-recurrent provision for revamping HKTB's website.

Other than the provision under programme (7), the HKTB also receives additional non-recurrent provisions in 2008-09 to carry out some of its promotion work. For example, the Home Affairs Bureau has obtained additional funding for the promotion of Olympism, of which \$29.3 million was allocated to the HKTB for this purpose in 2007-08 and 2008-09. Moreover, under programme (6), an additional \$30 million has been earmarked for the HKTB to promote MICE (Meetings, Incentives, Conventions and Exhibitions) tourism.

The HKTB will be committed to enhancing cost-effectiveness, broadening its sources of income, and exercising strict budget control in carrying out its promotion activities in 2008-09. Meanwhile the HKTB is reviewing its mega events organised with non-recurrent funding in the past. In the interim, the HKTB proposes to continue to organise mega events this year, drawing on its reserve if necessary. Events to be organised include a summer promotion campaign evolving from the Hong Kong Shopping Festival, a programme encompassing Christmas celebration and the New Year's Eve countdown, a large-scale event in the Chinese New Year. The HKTB plans to complete the review of mega events this year, with a view to discussing the subvention arrangements with the Administration next year.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Hong Kong Trade Development Council will strive to enhance the leadership position of its trade shows in 2008-09. In this connection,

- a) What are the specific plans?
- b) How will additional exhibition venues be provided to cope with the demand?
- c) Is there any plan to carry out Phase III development of the Hong Kong Convention and Exhibition Centre in Wanchai? If so, what are the site selection and timetable?
- d) Will additional expenditure be involved?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Hong Kong Trade Development Council (HKTDC) will launch the following initiatives in 2008-09 to enhance its leadership position in the exhibition industry –

- (a) expand the scale of existing fairs through launching new product zones;
- (b) identify potential sectors for developing new themes for exhibitions;
- (c) capitalise on the rapidly growing Asian market through incorporating Asian elements into existing fairs to attract more buyers and exhibitors from different regions in Asia;
- (d) facilitate the development of its trade fairs (which are mainly sourcing platforms in nature) to become the region's premium marketing platforms;
- (e) develop lifestyle related fairs targeting the Asian market during non-peak seasons, for example, the Hong Kong International Wine Expo to be held in August 2008; and
- (f) upgrade its online sourcing platform which, together with its traditional trade fairs, will provide year-round sourcing services helping buyers to identify suppliers.

The Government has been making important strategic investments in convention and exhibition facilities. For example, the atrium link extension project of the Hong Kong Convention and Exhibition Centre (HKCEC), which will boost HKCEC's exhibition space by 42%, will be completed in early 2009. As regards the proposed HKCEC Phase III, the

Government is working closely with HKTDC to review and address related issues, including planning issues and impacts on traffic and other public facilities in the vicinity. At the same time, we are considering with the AsiaWorld-Expo the feasibility of early commencement of its Phase II expansion project.

We will continue to discuss with the trade and the venue operators to explore how to encourage exhibitors to organise exhibitions during non-peak seasons and to enhance the cooperation between the two major venue operators to facilitate more effective utilisation of Hong Kong's venue supply.

HKTDC estimates that the costs incurred for organising trade fairs in 2008-09, including the initiatives referred to in (a) to (f) above, when compared to 2007-08, will increase by \$16 million.

Signature	_____
Name in block letters	MISS YVONNE CHOI
	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Post Title	_____
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In 2008-09, the Hong Kong Trade Development Council will consolidate Hong Kong's position as a creative hub and regional design centre, and promote Hong Kong as Asia's international financial centre. In this connection, will the Administration advise this Committee of the specific plans? Will additional expenditure be involved?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Hong Kong Trade Development Council (HKTDC) will seek to consolidate Hong Kong's position as a creative hub, a regional design centre and Asia's international financial centre through the strategies and programmes below.

Reinforce Hong Kong's role as a creative hub

HKTDC will actively promote those creative industries with high commercial potential, which are, namely, design (including architecture and interior design), film and entertainment and IT software development, etc. To raise Hong Kong's international profile as a trend setter, HKTDC has been helping Hong Kong's creative industries to expand their international network and establish strategic alliances. In addition, HKTDC will seek to create business opportunities in the areas of design, licensing, IT software and content development, etc. through nurturing cross-industry and cross-sector cooperation.

*Major Initiatives*

- continue to drive the growth of major events like the "Hong Kong International Licensing Show", the "FILMART" and the "Entertainment Expo Hong Kong" to gather international creative talents together and to develop business opportunities;
- promote cross-media development in the film, TV, music and digital entertainment sectors and cross-industry development in the advertising, licensing and financing sectors;



- monitor the latest developments in respect of major international events, such as the 2010 Shanghai World Expo and the Asian Games in Guangzhou, with a view to identifying business opportunities for Hong Kong's licensing industry;
- explore cooperation opportunities with Mainland provinces and cities for jointly promoting IT software outsourcing services, as appropriate; and
- organise cross-sector workshops for industries covering toys, licensing and digital entertainment, etc. to facilitate exchange and cooperation.

#### Drive Hong Kong to become a regional design hub

HKTDC will continue to enhance its brand building programmes to reinforce Hong Kong's image as a hub of design and marketing services in the region through working closely with other trade and industrial organizations, for example, the Hong Kong Design Centre.

#### *Major Initiatives*

- leverage on mega events such as the "IDT Expo" to brand build Hong Kong as a design and creative hub in the region;
- establish a strategic alliance with the Ministry of Commerce to organise design and branding seminars and conferences to facilitate the development of new markets in second-tier Mainland cities;
- cooperate with other trade and industrial organisations to reinforce Hong Kong's image as a hub of design and marketing services;
- encourage manufacturers to develop design capabilities, with a view to upgrading their products and moving their businesses up the value chain to the ODM (Original Design Manufacturing) and OBM (Original Brand Manufacturing) modes;
- organise the "Design for Living Expo in Hangzhou" to promote Hong Kong's design capabilities;
- organise outgoing missions for design and marketing companies to attend overseas sourcing fairs, and provide related business matching services; and
- hold a series of design-related events, including seminars, conferences, design competitions or award ceremonies, etc. featuring the "Best of Asia", in HKTDC's trade fairs.

#### Promote Hong Kong's role as Asia's international financial centre

HKTDC will step up its efforts to brand build Hong Kong as Asia's international financial centre through cooperation with other trade and industrial organizations, and will facilitate the development of our financial market through bringing more industry players in the financial services sector and investors to Hong Kong.

#### *Major Initiatives*

- through organising flagship events like the "Asian Financial Forum" to brand build Hong Kong as Asia's international financial centre;
- develop a holistic approach with other trade and industrial organisations to jointly promote Hong Kong's financial services platform; and
- organise trade missions, CFO (Chief Financial Officers) forums and roadshows to attract the inflow of capitals from overseas, the Mainland and emerging markets to Hong Kong's financial market.

The cost of the above initiatives has been included in HKTDC's overall trade promotion budget. As these initiatives cut across a great variety of programme areas, it is not possible to provide an accurate estimate for the expenditure required for these initiatives.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Subhead (No. & title) : 000 Operational  
expenses

Programme : -

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the reasons for creating 12 non-directorate posts in 2008-09? What are the duties of these posts?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

Details of the 12 new posts to be created in 2008-09 are as follows:

Post	Reason for Creation and Duty
1 Senior Personal Secretary	To provide administrative support for the new Under Secretary position to be created under the Political Appointment System.
1 Information Officer 1 Assistant Information Officer 1 Executive Officer II	To address increased workload in Commerce, Industry and Tourism Branch arising from the re-organisation of the Government Secretariat w.e.f. 1 July 2007.
1 Systems Manager 1 Analyst/Programmer I	To replace non-civil service contract positions so as to address long-term manpower requirement in respect of information technology support for Commerce, Industry and Tourism Branch and overseas Economic and Trade Offices.
2 Senior Executive Officer 4 Executive Officer I	The Tourism Commission plans to create 6 civil service posts to replace progressively the existing non-civil service contract positions to cope with the long-term manpower requirement for tourism development work. There is no increase in the total number of staff arising from the creation of the posts.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Subhead (No. & title) : 000 Operational  
expenses

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the reasons for creating 5 posts in 2008-09? Please list out the ranks, the scope of work and salaries of these posts.

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

Under Programme (2), details of the 5 new posts to be created in 2008-09 are as follows:

Post	Salary Provision (\$ million)	Reason for Creation and Duty
1 Information Officer	0.6	To address increased workload on information services in Commerce, Industry and Tourism Branch arising from the re-organisation of the Government Secretariat w.e.f. 1 July 2007.
1 Assistant Information Officer	0.3	
1 Executive Officer II	0.3	To address increased workload on executive support in Commerce, Industry and Tourism Branch arising from the re-organisation of the Government Secretariat w.e.f. 1 July 2007.
1 Systems Manager	0.7	To replace non-civil service contract positions so as to address long-term manpower requirement in respect of information technology support for Commerce, Industry and Tourism Branch and overseas Economic and Trade Offices.
1 Analyst/Programmer I	0.5	

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

How much resources will the Bureau allocate for the publicity and public education programmes in relation to the Copyright (Amendment) Ordinance?

Asked by : Hon. LAM Kin-fung, Jeffery

Reply :

The Copyright (Amendment) Ordinance 2007 ("the Amendment Ordinance") was passed by the Legislative Council on 27 June 2007. To enhance public awareness and understanding of the new provisions under the Amendment Ordinance, the Bureau has allocated an additional \$4 million to the Intellectual Property Department (IPD) in 2007-08 and 2008-09 for rolling out a series of publicity and public education programmes. These include TV and radio Announcements of Public Interest, advertisements, posters, leaflets, web-based information packs, direct mailing/emailing, tele-marketing as well as seminars and other presentations. Moreover, in 2007-08 and 2008-09, the Bureau has allocated \$4.8 million to IPD for launching a free Software Asset Management Consultancy Programme in October 2007 with major stakeholders and chambers of commerce. The Programme helps the business community, in particular the small and medium enterprises, better manage their software assets and ensure compliance with new provisions in the Amendment Ordinance. The Programme will end in mid-2008.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

As regards the number of local fairs, the actual figure for 2007 and the estimated figure for 2008 are the same, i.e. 33. Does the zero growth in the estimated figure imply that the exhibition venues in Hong Kong have been fully booked or are there other reasons for it?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

In 2007, the Hong Kong Trade Development Council (HKTDC) organised 33 fairs, and six of them were new fairs launched in 2006. According to its latest plan, HKTDC intend to hold a new exhibition in 2008, namely the "Hong Kong International Wine Expo".

In addition, with the completion of the atrium link extension project of the Hong Kong Convention and Exhibition Centre (HKCEC) in early 2009, the Council plans to organise 9 more new fairs by 2011-12 and if there are market demands by then, expand the scale of its existing fairs.

The Government will consider how to strengthen the cooperation between HKCEC and the AsiaWorld-Expo in the area of exhibitions, with a view to facilitating more effective utilisation of our venues.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The estimate of worldwide circulation of trade publications for 2008 is 1.75 million, being 320,000 less than the actual figure for 2007. What are the reasons?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

Since April 2007, the Hong Kong Trade Development Council (HKTDC) has been offering an integrated promotion package to its clients. This is a multi-channel service for HKTDC's clients to promote their products or services through HKTDC's online platform (tdctrade.com) and trade fairs in addition to its publications in print form. With this package, clients are now given more choices regarding promotion channels which are no longer confined to the print media. Moreover, HKTDC has launched electronic editions for all its publications (e-magazines) which are made available to buyers through the internet. Hence, the decrease in number of print copies of trade publications will not affect the effectiveness of HKTDC's promotion services for small and medium enterprises.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is mentioned that the HKTDC will realign and strengthen its resources and manpower capabilities in 2008-09 to meet changing market demands. Please provide the relevant details. How much money is involved? Which areas of work will be strengthened?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Hong Kong Trade Development Council (HKTDC) regularly reviews the deployment of its manpower and other resources as well as its arrangements for planned activities, taking into account the goals and strategies set out in its Annual Plan, to ensure that its resources are effectively deployed to priority items.

In addition, to meet changing market needs, HKTDC must continue to be able to retain and attract talent. HKTDC introduced a new training and staff development scheme in 2006, and will continue to step up its related efforts in 2008-09 to strengthen its human resource capabilities. In 2008-09, HKTDC will ensure that the focal points of its training and development programmes will be in line with its corporate objectives and core values in relation to value creation for its customers. To this end, HKTDC will organise a series of workshops focused on building employees' customer service skills and a customer service culture.

The above initiatives for resource realignment and strengthening human resource capabilities are on-going efforts and will not involve additional expenses.

HKTDC will continue to monitor market trends closely, and adjust its strategies as appropriate.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**CEDB(CIT)033**

Question Serial No.

0781

Head: 152 Government Secretariat: Subhead (No. &  
Commerce and Economic title):  
Development Bureau (Commerce,  
Industry and  
Tourism Branch)

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce,  
Industry and Tourism)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

When compared to the number of pamphlets distributed in 2006, there is a drastically drop of 3,700 pamphlets in 2007. What is the reason?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

In addition to distributing pamphlets through its Consumer Advice Centres, the Consumer Council also uploads the relevant information onto its website. Since consumers may obtain information from the internet, the number of copies distributed varies from year to year.

Signature

Name in block letters

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title

(Commerce, Industry and Tourism)

Date

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:                      Subhead (No. & title) : -  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The revised provision for 2007-08 is 73.7% or \$7m more than the original estimate. What is the reason?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The 2007-08 revised estimate is 73.7% higher than the original estimate mainly due to the increased cash flow requirement for a consultancy study on competition.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau  
(Commerce, Industry and Tourism  
Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Tourism Commission will create a total of 6 posts in 2008-09. Would the Administration tell us how much funds they will involve, and for what projects they will be designated?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Tourism Commission plans to create 6 civil service posts to replace progressively the existing non-civil-service contract posts to cope with the long-term manpower requirement for tourism development work. There is no increase in the total number of staff arising from the creation of these posts, which include 2 Senior Executive Officers and 4 Executive Officers I. Their main duties are to assist in the implementation of tourism projects, coordinating with relevant parties to facilitate the staging of tourism events in Hong Kong, and enhancing the service quality of the tourism industry. The total expenditure involved is \$3.4 m.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The visitor arrivals increased by 11.6% in 2007 as compared with the preceding year, but the estimated growth rate drops to 8% in 2008. In this Olympic Year, why does the increase narrow instead?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

According to the forecast of the Hong Kong Tourism Board (HKTB), visitor arrivals are projected to reach 30.4 million in 2008, an increase of 8% over 2007. The projected growth rate is not only higher than the forecast by the World Tourism Organization (UNWTO) that international visitor arrival will increase by 5% in 2008, but is also above the estimate by the Pacific Asia Travel Association (PATA) that arrivals in Asia Pacific will enjoy a stable growth of 6.2%.

The HKTB has fully considered factors including global economic and industry environment in making forecast on the visitor arrivals in 2008. Notwithstanding the positive factors for tourism developments in the region, such as favourable exchange rates, increased flight capacity, and continuous expansion of the Mainland outbound travel market, there are also potential risks faced by our travel industry, which include –

- (1) the potential softening of world travel due to uncertainties in the US economy;
- (2) stiff competition from neighbouring destinations with big-budget marketing campaigns;
- (3) Mainland China, our largest source market on visitor arrivals, is gradually strengthening its air connectivity with other travel hubs, which may have an impact on the Mainland visitor arrivals;
- (4) the new holiday arrangements in the Mainland China, which shorten the Labour Day Golden Week and designate Ching Ming, Dragon Boat and Mid-Autumn festivals as public holidays, will also likely affect the travel pattern of the Mainland visitors; and

- (5) while the Beijing Olympics will bring excellent opportunities and help enhance Hong Kong's international image, there is also a possibility that visitors may avoid the host cities during the event period as happened during previous Olympic Games. Visitors from the Mainland may also choose to "stay home" and watch the Games on TV to support the national team. To manage the risks, the HKTB will organise a summer marketing campaign targeting young female and family segments in short-haul markets (including Guangdong) to minimise the effect of the "stay-home" phenomenon.

The HKTB will closely monitor the travel trend and development of various markets and adopt a flexible approach in adapting its marketing promotions so as to ensure proper use of marketing resources.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

How much provision for launching overseas promotion of the Olympic Equestrian Events to be held in Hong Kong does the Bureau expect? What is the estimated growth rate of visitor arrivals the promotion activities will bring about for Hong Kong?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The estimated expenditure for the Hong Kong Tourism Board (HKTB) to promote Olympic Equestrian Events overseas in 2008-09 is \$11 million.

Riding on Hong Kong's advantage as an Olympic co-host city, the HKTB will promote our city to overseas visitors, in order to bring long-term benefits to Hong Kong. The publicity and promotion programmes for the Olympic Games will raise Hong Kong's exposure and international profile, enhance the tourism experience of our visitors, and entice them to revisit Hong Kong and recommend our city to their friends and families.

At this stage, it is difficult to estimate accurately the increase in visitor arrivals induced by the promotion activities. Apart from those who are interested in the Equestrian Events, the Beijing Olympic Games will also attract a large number of Olympic fans who may visit Hong Kong in the same trip. However, according to the experience of past Olympics host cities, some visitors would prefer staying home and watching Olympic Games on TV broadcast to travelling abroad. Besides, the total visitor arrivals to Hong Kong will also be affected by other factors, such as the economic environment, consumers' travel intention and competition from other destinations, etc.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**MISS YVONNE CHOI**

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Subhead (No. & title) : 000 Operational  
expenses

Programme : -

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The revised estimate of operational expenses for 2007-08 registers a substantial increase of \$450 m over the approved estimate for 2007-08. What are the reasons?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The 2007-08 revised estimate for the operational expenses is higher than the original approved estimate. This is mainly because the revised estimate has included additional provision transferred from the former Head 145 — Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) to Head 152 upon the re-organisation of the Government Secretariat with effect from 1 July 2007.

Signature

Name in block letters

MISS YVONNE CHOI

Post Title

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) : 000  
Commerce and Economic Development Operational  
Bureau (Commerce, Industry and expenses  
Tourism Branch)

Programme : -

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The estimate of departmental expenses for 2008-09 is \$37 m higher than the revised estimate for 2007-08. What are the reasons?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The general departmental expenses for 2008-09 estimate is higher than the 2007-08 revised estimate mainly due to:

- (i) provision earmarked for Hong Kong Tourism Board to provide one-stop professional support for prestigious MICE (Meetings, Incentive Travels, Conventions and Exhibitions) events to be hosted in Hong Kong and to raise Hong Kong's MICE profile through global publicity;
- (ii) increased provisions for salary and general departmental expenses arising from the creation of one position of Under Secretary and one position of Political Assistant, both under the Political Appointment System; and
- (iii) the full-year effect of the provision transferred from the former Head 145-Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) following the re-organisation of the Government Secretariat w.e.f. 1 July 2007.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Subhead (No. & title) : 700 General  
non-recurrent

Programme : -

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The revised estimate of general non-recurrent expenditure for 2007-08 shows an increase of \$6 m over the approved estimate for 2007-08. What are the reasons?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The 2007-08 revised estimate for the general non-recurrent expenses is higher than the original approved estimate. This is mainly because the revised estimate has included additional provision transferred from the former Head 145 — Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) to Head 152 upon the re-organisation of the Government Secretariat with effect from 1 July 2007.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Commerce and Economic Development Bureau mentioned that they would continue to work together with the Mainland authorities to further the development of the Mainland and Hong Kong Closer Economic Partnership Arrangement. What are the specific plans? Will additional expenditure be incurred?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) is an open and developing platform. Since the signing of CEPA in 2003, the Administration has concluded four Supplements to the arrangement to enrich and broaden its content. This year, the Administration has started discussing with the Mainland authorities further liberalisation and cooperation under CEPA, reflecting the needs of the trade on areas including services and trade and investment facilitation. We will announce the outcome once the discussion has concluded.

The Administration will continue to liaise closely with the Mainland authorities at the central and provincial levels to ensure the smooth implementation of CEPA. We will also continue to promote CEPA in Hong Kong, the Mainland and overseas, such as organizing CEPA seminars, to help the trade better utilize the business opportunities under CEPA.

The above activities do not incur additional expenditure.

Signature

Name in block letters

MISS YVONNE CHOI

Post Title

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : Head 152 - Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In assisting the trade to adjust to changes in Mainland's policy on processing trade through industrial restructuring and upgrading, relocating their operations and developing new markets, how will the 2008-09 estimate under this programme be used to undertake the relevant work? How much expenditure is involved?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

The Commerce and Economic Development Bureau will continue to maintain close liaison with the trade and Mainland authorities at various levels in 2008-09 to assist the trade to meet the changes in Mainland's processing trade policy. Relevant measures include:

- reflecting the trade's views and making recommendations to the Mainland authorities especially before the promulgation of new policies and legislation wherever such is possible;
- through the Task Force to Support the Processing Trade, exploring with the trade measures to cope with the relevant adjustments;
- cooperating with the Guangdong Province, through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade, to assist Hong Kong enterprises to restructure and/or upgrade;
- organizing symposiums and seminars to enhance the understanding of the trade on new policies and legislation;
- organizing trade delegations to visit the central and western regions of the Mainland with a view to encouraging Hong Kong enterprises to relocate their operations and to explore new markets;
- through the "SME Funding Schemes", assisting SMEs to acquire equipment to upgrade their operational and technical skills, and to restructure or relocate. Hong Kong enterprises may also apply for the "Innovation and Technology Fund" to improve their

technological level, and to introduce more innovative concepts to their businesses;

- through industry support bodies such as the Hong Kong Trade Development Council and the Hong Kong Productivity Council, assisting Hong Kong enterprises to upgrade their technical level, restructure into foreign-invested enterprises, and develop new markets, etc.

The above measures are part of the existing work of this Bureau and relevant departments and organizations, and will be covered under existing resources. Funding for relevant initiatives such as the “SME Funding Schemes” has already been approved. We are unable to provide a breakdown for the resources involved in measures to assist the trade to adapt to adjustments in processing trade policy.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau  
(Commerce, Industry and Tourism  
Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The estimated expenditure on travel and tourism in 2008-09 is \$82.5 million. Please inform us how much of it is for:

1. supporting and co-ordinating with the HKTB, the trade and relevant training institutions to facilitate supply of talents and enhance promotional efforts for the MICE (Meetings, Incentive Travels, Conventions and Exhibitions) and related tourism sectors; and
2. joining forces with major arts groups and the tourism sector to implement a pilot scheme for establishing an effective marketing platform to enhance the development and promotion of cultural tourism.

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

1. To enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital, the Tourism Commission (TC) is actively supporting and co-ordinating with the Hong Kong Tourism Board (HKTB), the trade and relevant training institutions to facilitate supply of talents and enhance promotional efforts for the MICE (Meetings, Incentive Travels, Conventions and Exhibitions) sector.

In facilitating supply of talents, TC organised a "Workshop on Human Resources Development for MICE sectors" on 22 November 2007 and is now following up the views and suggestions collected in the Workshop jointly with relevant Government departments. TC will carry out the following specific tasks in 2008-09 which seek to supplement and support bureaux/departments' ongoing efforts so as to better meet the needs of the industry

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- (a) TC will conduct a manpower survey to assess the training needs of the MICE sector and to facilitate the tertiary and training institutes to develop appropriate courses. The findings of the survey seek to facilitate these institutes to design and provide different curricula which will meet the development needs of the trade;

- (b) to enhance the skill-set of the current employees and allow more people who are interested to join the MICE sector to obtain relevant training, TC has invited the Labour and Welfare Bureau and Employees Retraining Board to offer a variety of courses for employees. At the same time, TC has also invited the Education Bureau to review the current secondary curriculum on tourism in order to meet the different needs of the trade at different levels;
- (c) to strengthen the knowledge and interest of the academia on MICE sector, TC will invite MICE industry leaders to give seminars and offer visits/study tours to students. TC has created a related data base for training institutes to contact these industry leaders direct; and
- (d) to expand the supply of talents is also important. We have invited the Security Bureau and Education Bureau to review the visa relaxation policy so as to facilitate more non-local tertiary graduates to stay and work in Hong Kong and to attract more Mainland and overseas talents to come over Hong Kong.

The above works have been included in the Programme (6) of 2008-09 Budget estimate. As the concerned staff are also responsible for performing other duties, it is difficult to quantify the expenses and human resources for individual duties .

On enhancing promotional efforts for MICE, the Financial Secretary has earmarked \$150 m in “The 2008-09 Budget” to carry out these activities in the next five years. The Government has invited the HKTB to take forward this Budget initiative and earmarked \$30 m in 2008-09 under Programme (6) for this purpose. The HKTB plans to step up its global publicity to raise Hong Kong’s MICE profile and provide one-stop professional support for prestigious MICE events to be hosted in Hong Kong. Specific tasks include -

- (a) to provide one-stop support for MICE event organisers, assist event organisers to identify and bid for large-scale conventions and exhibitions;
  - (b) to work in partnership with the Hong Kong Trade Development Council and the Government’s Economic and Trade Offices overseas to step up efforts to promote Hong Kong as an ideal destination for conventions and exhibitions and drive attendance for MICE events hosted in Hong Kong; and
  - (c) to cross-sell tourism products so as to enhance the travel experience of event participants.
2. TC, in collaboration with major performing arts groups and the tourism sector, established a working group in October 2007 to devise and implement a pilot scheme to promote cultural tourism in Hong Kong. The objectives of the pilot scheme are to –
- (a) provide a platform to facilitate the communication between performing arts groups and the tourism sector on promotion of our cultural and arts offerings to visitors;
  - (b) upgrade Hong Kong Tourism Board’s website for more effective promotion of upcoming event highlights to the travel trade partners and overseas visitors; and
  - (c) enhance the user-friendliness of the existing online ticketing system for internet booking by the travel trade partners and individual overseas visitors to join arts and cultural activities in Hong Kong.

The pilot scheme is a new initiative aiming to leverage our arts and cultural products to enrich visitors' nightlife and travel experience. We will continue to join hands with the participating performing arts groups and tourism sector representatives to seek improvement to the marketing platform. Subject to market feedback, we look forward to expanding the scheme to include other interested performing arts groups and travel trade partners.

The pilot scheme will be implemented with existing resources. No additional expenses will be incurred.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

How will the Hong Kong Trade Development Council (HKTDC) use the financial provision of \$360 m for 2008-09 to :

1. strengthen Hong Kong's position as Asia's international business platform; promote the Hong Kong platform to Mainland and international companies; enhance the leadership position of HKTDC trade shows; upgrade and promote the HKTDC integrated marketplace comprising online portal, publications and exhibitions; and enhance Hong Kong's position as a technology marketplace;
2. champion Hong Kong's service and manufacturing companies' quality, creativity and sophistication; promote a favourable image of Hong Kong products and services; promote Hong Kong branded products; consolidate Hong Kong's position as a creative hub and regional design centre; promote Hong Kong as Asia's international financial centre; and continue with path-finding efforts in emerging markets; and
3. enhance the HKTDC's value as an active resource centre and partner for SMEs, assist them in resolving operational difficulties, particularly those in the Mainland market, and accelerate their move up the value chain, reinforce a stronger HKTDC Brand; grow the HKTDC's business matching expertise; and realign and strengthen the HKTDC's resources and manpower capabilities to meet changing market demands ?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

In 2008-09, the government subvention of \$360 million to the Hong Kong Trade Development Council, together with the latter's operating income, will be allocated to eight major programme areas for trade promotion, namely -



Programme Areas	Projected Expenditures (\$ million)
Product Promotion	210.58
Services Promotion	83.47
Technology Promotion	67.13
Research and SME Services	33.21
Business Matching	9.41
Overseas Marketing	81.12
Publications and E-Commerce	141.95
International Exhibitions	678.88
Total	1,305.75

The Council regularly reviews the deployment of its manpower and other resources to suit its objectives.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No.  
Commerce and Economic Development Bureau & title) :  
(Commerce, Industry and Tourism Bureau)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With respect to the monthly publication of "CHOICE" by the Consumer Council, please set out in detail its monthly income and expenditure in 2007-08.

Asked by : Hon. LI Wah-ming, Fred

Reply :

"CHOICE" is a monthly magazine published by the Consumer Council. Its expenses include printing and promotional costs only. The income and expenditure in 2007-08 are as follows –

	Income* (\$'000)	Expenditure (\$'000)
April 2007	233	155
May 2007	230	138
June 2007	158	124
July 2007	138	170
August 2007	194	142
September 2007	206	140
October 2007	163	166
November 2007	185	144
December 2007	201	122
January 2008	199	140

\* including income from retail sales and subscription (subscription includes printed copies and e-CHOICE)

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**MISS YVONNE CHOI**

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 152 Government Secretariat: Commerce and Subhead  
Economic Development Bureau (No. & title):  
(Commerce, Industry and Tourism Branch)

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce,  
Industry and Tourism)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is estimated that the Consumer Council will conduct 19 consumer surveys in 2008. Please give details of the provision required as well as the contents of these surveys.

Asked by: Hon. LI Wah-ming, Fred

Reply:

The provision for the 19 surveys planned to be conducted by the Consumer Council in 2008-09 is about \$320,000. The actual expenditure will be subject to the types and requirements of individual surveys.

Areas to be covered in the surveys include the average price changes in supermarkets, price changes of textbooks for primary and secondary schools, revision of textbooks, tax loan markets and wine prices. Details of the surveys will be determined by the Research and Testing Committee of the Council and set out according to the prevailing market situation and consumer needs.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce and  
Economic Development (Commerce,  
Industry and Tourism)

Post Title \_\_\_\_\_

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. &  
Commerce and Economic Development Bureau title) :  
(Commerce, Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What is the revised total expenditure for the Competition Policy Advisory Group in 2007-08? How does it differ from the original estimates of expenditure? If there are differences between the two (i.e. the expenditure and the estimates of expenditure), what are the reasons?

Asked by : Hon. LI Wah-ming, Fred

Reply :

The expenditure for the Competition Policy Advisory Group (COMPAG) in 2007-08 has been absorbed under Head 152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) Programme (4) relating to competition and cannot be separately itemized.

Signature

Name in block letters

MISS YVONNE CHOI

Post Title

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. &  
Commerce and Economic Development Bureau title) :  
(Commerce, Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In the 2007-08 financial year, how many policy areas did the Competition Policy Advisory Group review? Please provide a detailed account of the studies.

Asked by : Hon. LI Wah-ming, Fred

Reply :

In financial year 2007-08, COMPAG received nine complaint cases relating to eight policy areas, i.e. retailing, supply of construction materials, logistics, funeral services, banking and finance, government subvention to art and cultural activities, trade-related electronic services and exhibition. Detailed accounts of some cases have appeared in the last COMPAG Annual Report and the remainder will appear in the next Annual Report. Expenses related to the handling of these cases were absorbed in the recurrent expenditure of the relevant bureaux and departments.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. &  
Commerce and Economic Development Bureau title) :  
(Commerce, Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In the 2007-08 financial year, what was the financial provision for follow-up actions on competition-related complaints and cases? How many cases and complaints did the Administration follow up in the 2007-08 financial year? Please provide a detailed breakdown of such cases and complaints by category.

Asked by : Hon. LI Wah-ming, Fred

Reply :

In financial year 2007-08, COMPAG considered nine cases. Five cases concerned complaints of alleged abuse of market power; two were on government policies and practices; and one each concerned complaints of price-fixing and joint boycott. Detailed accounts of some cases have appeared in the last COMPAG Annual Report and the remainder will appear in the next Annual Report. Expenses related to the handling of these cases were absorbed in the recurrent expenditure of the relevant bureaux and departments.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. &  
Commerce and Economic Development Bureau title) :  
(Commerce, Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

- (a) What is the financial provision expected for the Competition Policy Advisory Group in 2008-09?
- (b) What are the respective financial provisions expected to be required by the Competition Policy Advisory Group for its various tasks?

Asked by : Hon. LI Wah-ming, Fred

Reply :

The expenditure for the Competition Policy Advisory Group (COMPAG) in 2008-09 will be absorbed under Head 152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) Programme (4) relating to competition and cannot be separately itemized.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat : Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding “worked with the Travel Industry Council of Hong Kong to improve the regulatory framework of travel agents”, will the Government increase resources for this work in 2008-09?

Asked by : Hon. LI Wah-ming, Fred

Reply :

The Government works closely with the Travel Industry Council of Hong Kong (TIC) in regulating travel agents. We take appropriate regulatory measures having regard to market developments and needs to ensure the quality of travel service and enhance protection for consumers and visitors.

In 2007-08, the Government and TIC have put in place a number of measures to tackle market malpractices arising from Mainland “Zero Fare” tours. The TIC requires travel agents to register with it their tour confirmation agreement with their Mainland counterparts for each inbound Mainland tour group before its arrival, and to distribute itineraries to visitors upon their arrival. The actual itinerary must be the same as that set out on the tour confirmation agreements. To enhance consumer protection, the TIC has extended the refund period of the “100% Guaranteed Refund Scheme” for Mainland inbound tour groups shopping in designated shops from 14 days to 6 months to ensure that visitors have sufficient time to seek refund after returning to the Mainland if they are not content with their purchases. To further enhance the image and quality of tourist guides, the TIC has introduced a Continuous Professional Development Scheme for Tourist Guides (CPD). Tourist guides must fulfil the CPD requirements for renewing their tourist guide passes. The TIC, the Customs and Excise Department, the Consumer Council and the Hong Kong Tourism Board have also established a speedy referral system to ensure that prompt action is taken on complaints about unscrupulous sales malpractices. Efforts have also been made to step up the promotion of smart consumption.



Meanwhile, apart from tightening surveillance of travel agents' financial position, the Travel Agents Registry has also stepped up surveillance of their daily operation, including resolving the problem of advance payment by tourist guides, enhancing the quality of service provided to tour groups from the Mainland, as well as taking action together with law enforcement agencies on persons suspected of operating unlicensed travel activities, to protect consumers' interests and Hong Kong's image as a preferred travel destination.

In 2008-09, the Government will continue to deploy existing resources to carry out the regulatory work. The TIC will make use of the income from the Council levy and other revenues to meet the expenses. The Government will continue to work closely with the TIC to ensure effectiveness of the regulatory efforts.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau  
(Commerce, Industry and Tourism  
Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

For “continuing to plan and implement Tourism District Enhancement Projects, including Aberdeen Tourism Project, Ngong Ping Landscaped Piazza Project, Tsim Sha Tsui Promenade Beautification Project, and Stanley Waterfront Improvement Project and Peak Improvement Scheme”, please elaborate the project scope and cost.

Asked by : Hon. LEE Wah-ming

Reply :

The relevant information is set out below -

Project	Project Scope	Project Cost (\$ million)
Tsim Sha Tsui Promenade Beautification Project	Provision of an alfresco dining facility and more public open space for outdoor activities along the Promenade, repaving of ground surface, provision of seating facilities, enhancement of street lighting, more greening, upgrading of the viewing deck, replacement of the narrow spiral staircases to the viewing deck by wide and straight staircases with addition of stair-lifts for the disabled, etc.	170.2
Peak Improvement Scheme	Reconstruction of the Peak piazza and streetscape improvement to various walking trails, use of a de-commissioned Peak Tram cabin as a visitor information centre, beautification of Mount Austin Playground, and provision of information boards on the historical background of the Peak, etc.	142.6

Project	Project Scope	Project Cost (\$ million)
Stanley Waterfront Improvement Project	Construction of a new public pier outside Murray House, extension of Stanley Main Street and construction of a new promenade, repaving of footpaths and carriageways, improvement of street lighting and street furniture, beautification of the public area around Shui Sin Temple and Pat Kan Uk, more greening, etc.	90.1
Enhancement of public facilities at Ngong Ping, Lantau	Construction of a landscaped piazza in front of the Po Lin Monastery and upgrading of the supporting facilities at Ngong Ping to complement its tourism and recreation development.	68
Aberdeen Tourism Project	Redevelopment and revitalisation of both sides of the Aberdeen harbour so as to bring out further the unique features of a “traditional fishing harbour” and the living culture of Aberdeen and reinforcement of the elements of diversified tourism. Government has appointed a business consultant to examine and assess the financial viability, business potential and institutional arrangement for future implementation.	Construction cost of the project subject to further study

Signature \_\_\_\_\_  
 Name in block letters MISS YVONNE CHOI  
 Permanent Secretary for Commerce  
 and Economic Development  
 Post Title (Commerce, Industry and Tourism)  
 Date 25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau  
(Commerce, Industry and Tourism  
Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding "implemented green tourism project in the Plover Cover and Tolo Channel area and Tung Ping Chau", please provide the work details and the provision required.

Asked by : Hon. LI Wah-ming, Fred

Reply :

The Tourism Commission has implemented a phased programme for the enhancement of a number of green tourist attractions in the Northeast New Territories to facilitate visitors to appreciate our natural scenery. These attractions are located at Lai Chi Wo, Ap Chau, Kat O, Tap Mun, Wu Kai Sha, Tai Mei Tuk, Ma Liu Shui and Tung Ping Chau. The improvement items include reconstruction of piazzas, erection of signage and mapboards, provision and improvement of seating facilities, enhancement of lighting, planting of trees, upgrading of existing toilets and piers, etc. Most of the works will be completed in 2008. As no large-scale works are involved, the project has been implemented by respective subject departments with their existing resources.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)      Subhead (No. & title) :

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Has the Administration earmarked any provision for the coming financial year to conduct researches or engage consultants on the injection of funds into the Hong Kong Disneyland?

Asked by : Hon. LI Wah-ming, Fred

Reply :

In 2008-09, the Administration has earmarked funding for engaging consultants to study the long-term financial arrangement for the Hongkong International Theme Parks Limited and advise the Administration on different financial options.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In 2008-09, the Bureau will release the Government's preliminary proposals for strengthening copyright protection in the digital environment, with a view to building up consensus for changes that may require legislative amendments. Please advise the outline of the proposals and the schedule for legislative amendments.

Asked by : Hon. SHEK Lai-him Abraham

Reply :

The public consultation on copyright protection in the digital environment ended in April 2007. We received more than 600 submissions, mostly from individuals. Having examined the views received, and in the light of latest developments in overseas jurisdictions, we are formulating the Administration's position on the key issues raised in the consultation document. With a view to building consensus on the way forward, we aim to release our preliminary proposals in April 2008 (which will form the basis of our next stage of consultation/engagement with the Legislative Council and stakeholders concerned). Subject to the outcome of further consultation, we intend to firm up the legislative package in early 2009.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau  
(Commerce, Industry and Tourism  
Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Branch will join forces with major arts groups and the tourism sector to implement a pilot scheme for establishing an effective marketing platform to enhance the development and promotion of cultural tourism. Please inform this Committee the details of pilot scheme, including the arts groups/departments involved, time frame, marketing strategies, targets of the scheme, expenditure incurred, etc.

Asked by : Hon. SHEK Lai-him, Abraham

Reply :

The Tourism Commission, in collaboration with major performing arts groups and the tourism sector, established a working group in October 2007 to devise and implement a pilot scheme to promote cultural tourism in Hong Kong. The objectives of the pilot scheme are to –

- (a) provide a platform to facilitate the communication between performing arts groups and the tourism sector on promotion of our cultural and arts offerings to visitors;
- (b) upgrade Hong Kong Tourism Board's website for more effective promotion of upcoming event highlights to the travel trade partners and overseas visitors; and
- (c) enhance the user-friendliness of the existing online ticketing system for internet booking by the travel trade partners and individual overseas visitors to join arts and cultural activities in Hong Kong.

The working group initially comprises major Government-subsidized performing arts groups, the tourism industry stakeholders (such as hotels, travel trade and tourist guides), the Hong Kong Tourism Board, the Home Affairs Bureau and the Leisure and Cultural Services Department.

The pilot scheme is a new initiative aiming to leverage our arts and cultural products to enrich visitors' nightlife and travel experience. The Hong Kong Tourism Board targets to renew its website for better promotion of these products by mid-2008. We will continue to join hands with the participating performing arts groups and tourism sector representatives to seek improvement to the marketing platform. Subject to market feedback, we look forward to expanding the scheme to include other interested performing arts groups and travel trade partners.

The pilot scheme will be implemented with existing resources. No additional expenses will be incurred.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

As mentioned in the Budget Speech, \$150 million will be earmarked in the next five years (2008-12) to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital. Please provide specific work plans of the project. Besides marketing strategies, what measures, in terms of immigration arrangement, transport, facilities, hotel accommodation, will the Administration adopt to increase the number of mega international conventions and exhibitions hosted in HK?

Asked by : Hon. SHEK Lai-him, Abraham

Reply :

The Financial Secretary has earmarked \$150 m in "The 2008-09 Budget" to enhance the promotion of MICE (Meetings, Incentive Travels, Conventions and Exhibitions) in the next five years. The Government has invited the Hong Kong Tourism Board (HKTBC) to take forward this Budget initiative and earmarked \$30 m in 2008-09 under Programme (6) for this purpose. The HKTBC plans to step up its global publicity to raise Hong Kong's MICE profile and provide one-stop professional support for prestigious MICE events to be hosted in Hong Kong. Specific tasks include -

- (a) to provide one-stop support for MICE event organisers, assist event organisers to identify and bid for large-scale conventions and exhibitions;
- (b) to work in partnership with the Hong Kong Trade Development Council (HKTDC) and the Government's Economic and Trade Offices overseas to step up efforts to promote Hong Kong as an ideal destination for conventions and exhibitions and drive attendance for MICE events hosted in Hong Kong; and
- (c) to cross-sell tourism products so as to enhance the travel experience of event participants.

As regards immigration arrangement, we will continue to advocate measures to further facilitate visitors' entry into Hong Kong, especially in enhancing the visitor-friendliness of entry facilities. In the second quarter of 2008, the Immigration Department will introduce the "Visitor e-Channel" at the Hong Kong International Airport control point for eligible frequent visitors. To extend hospitality to participants of large-scale MICE events, the Immigration Department will arrange designated immigration clearance counters at relevant major control points on a need basis.

Also we will liaise with the Transport Department and other related departments to provide special transport arrangements to facilitate the conduct of large-scale MICE events in Hong Kong as appropriate.

On convention and exhibition infrastructure, we have been making important strategic investments. For example, the Atrium Link Extension project of the Hong Kong Convention and Exhibition Centre (HKCEC), which will boost HKCEC's exhibition space by 42%, will be completed in early 2009. As regards the proposed HKCEC Phase III, the Commerce and Economic Development Bureau continues to work closely with HKTDC and relevant government bureaux/departments to address related technical issues, including planning issues and impacts on traffic and other public facilities in the vicinity. At the same time, we are considering with the AsiaWorld-Expo the feasibility of early commencement of its Phase II expansion project.

Moreover, there is room for further hotel development to meet our visitors' demand. To further promote tourism and enhance the competitiveness of our hotel industry, the Financial Secretary has proposed in "The 2008-09 Budget" to waive the Hotel Accommodation Tax. The relevant amendment legislation will be introduced into the Legislative Council within this legislative year. In addition, in order to facilitate the development of more hotels, the Government has included ten "hotel only" sites in the 2008-09 Application List.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 – Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the effort of the Hong Kong Tourism Board on promoting Hong Kong as an Olympic co-host city in 2008, it is stated in the paper (CB(1)636/07-08(04)) submitted to the Legislative Council in January this year by the Government that the work is to “Capitalise on the Opportunities and Minimise the Risks of the 2008 Beijing Olympics”.

Key initiatives set out in the paper include:

- (a) Organise tactical co-operation programmes with equestrian federations and travel trade in competing countries and other selected markets, such as Australia, New Zealand, the United Kingdom, France, the Netherlands and the United States, to draw equestrian fans;
- (b) Work with the China National Tourist Offices in overseas markets, travel trade and official Olympic agents to develop combo packages so as to capture the huge visitor traffic to China pre- and post-Olympics;
- (c) Organise a summer booster campaign targeting young female and family segments in short-haul markets and Guangdong to minimize the effect of the “stay-home” syndrome; and
- (d) In Hong Kong, support the Government to build Olympic ambience citywide and achieve extensive global exposure and media coverage of the city’s Olympic spirit by decorating ports of entry and major tourist areas, and installing giant Olympic rings at harbourfront. Collaborate with local travel trade on special offers and set up an Olympic Piazza in Hong Kong Cultural Centre to enhance the visitor experience.

What are the resources required for each of these initiatives?

Asked by : Hon. SIN Chung-kai

Reply :

Being an Olympic co-host city will bring long-term benefits to Hong Kong. The Hong Kong Tourism Board (HKTB) will leverage this advantage when promoting Hong Kong. The publicity and promotional programmes for the Olympic Games will raise Hong Kong's exposure and international profile, enhance the tourism experience of our visitors, and entice them to revisit Hong Kong and recommend our city to their friends and families. The HKTB fully supports the Government's efforts and will implement a number of promotional activities locally and overseas to reinforce Hong Kong's image as an Olympic co-host city. The work will be completed in 2007-08 and 2008-09. The estimated budget for the promotional activities in 2008-09 is as follows -

	2008-09 Budget (\$ m)
Promotion in countries participating in the Olympic Equestrian Events and other selected markets	4.1
Promotion of multi-destination itineraries in overseas markets	2.9
Organisation of a summer booster campaign in short-haul markets and Guangdong	4.2
Cultivating Olympic ambience in Hong Kong	9.0
Total	20.2

The above activities will be funded partly under Head 53 Home Affairs Bureau Sub-head 700 Item 866 "Promotion of Olympism".

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide a breakdown by the following categories of the Hong Kong Tourism Board's estimated expenditure for 2008-09 and its revised estimated expenditure for 2007-08.

- a. Expenditure on publicity, advertisements and publications
- b. Research and development
- c. Local services and mega events
- d. Staff costs
- e. Rents, rates and management fees
- f. Depreciation
- g. Audit fees
- h. Other operational expenses

Asked by : Hon. SIN Chung-kai

Reply :

Apart from Government's recurrent subvention under programme (7), the Hong Kong Tourism Board (HKTB) also has income from additional non-recurrent provision and other revenues such as interest on deposit etc. Details of the HKTB's revised estimated expenditure for 2007-08 and its estimated expenditure for 2008-09 are as follows -

	<b>2007-08 Revised Estimate</b>	<b>2008-09 Estimate</b>
	<b>\$M</b>	<b>\$M</b>
Expenditure on publicity, advertisements and publications	235	242
Research and development	29	31
Local services and mega events	75	68
Staff costs	164	179
Rents, rates and management fees	13	15
Depreciation / Audit fees	1	1
Other operational expenses	24	25
<b>Total</b>	<b>541</b>	<b>561</b>

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (8) Public Safety

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What specific work has been done under this Programme over the past three years?

Asked by : Hon. SIN Chung-kai

Reply :

In the past three years, through regular meetings and other means, the then Economic Development and Labour Bureau and Commerce and Economic Development Bureau oversaw the work of the Hong Kong Observatory, including examining its funding applications for acquiring new facilities, to ensure that resources were properly spent. Besides, we reviewed services provided by the Observatory depending on the need and circumstances to ensure that the public enjoy high standard of weather information services. For example, we have reviewed the tropical cyclone warning system and introduced improvement measures.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (8) Public Safety

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The matter requiring special attention in 2008-09 under this Programme is that the Branch will take measures to further improve weather information services. Do the weather information services mentioned involve the facilities of the Hong Kong Observatory? If so, what is the role of the Branch in this respect?

Asked by : Hon. SIN Chung-kai

Reply :

The weather information services mentioned involve facilities of the Hong Kong Observatory. Through regular meetings and other means, the Commerce, Industry and Tourism Branch oversees the work of the Hong Kong Observatory, including examining its funding applications for acquiring new facilities and others, to ensure that resources are properly spent and the public enjoy high standard of weather information services.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

20.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) : 000  
Commerce and Economic Development Operational  
Bureau (Commerce, Industry and expenses  
Tourism Branch)

Programme : -

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The general departmental expenses for 2008-09 are far higher than those for 2007-08. What are the reasons for that?

Asked by : Hon. SIN Chung-kai

Reply :

The general departmental expenses for the 2008-09 estimate is higher than the 2007-08 revised estimate mainly due to:

- (i) provision earmarked for Hong Kong Tourism Board to provide one-stop professional support for prestigious MICE (Meetings, Incentive Travels, Conventions and Exhibitions) events to be hosted in Hong Kong and to raise Hong Kong's MICE profile through global publicity;
- (ii) increased provisions for salary and general departmental expenses arising from the creation of one position of Under Secretary and one position of Political Assistant, both under the Political Appointment System; and
- (iii) the full-year effect of the provision transferred from the former Head 145-Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) following the re-organisation of the Government Secretariat w.e.f. 1 July 2007.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:  
Commerce and Economic  
Development Bureau  
(Commerce, Industry and Tourism  
Branch)

Subhead : 428 Consultancy on cruise  
terminal facilities  
development for Hong  
Kong

Programme : 6 Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The current balance for the consultancy on cruise terminal facilities development for Hong Kong amounts to \$3.496 m. Tender invitation for the cruise terminal will close on 7 March 2008 and it is expected that the tender will be awarded in mid-2008.

1. What specific items was the past expenditure of \$4.5 m under this Subhead devoted to?
2. Since tender invitation for the cruise terminal will close in March 2008, will the \$3.496 m balance of this Subhead be put to other purposes? If yes, please give a breakdown of the required expenditure and a corresponding timetable.

Asked by : Hon. SIN Chung-kai

Reply :

1. Phase 1 of the above consultancy study, which was completed in 2005-06, identified and provided updates on the market demand and requirements for developing new cruise terminal facilities in Hong Kong. Phase 2 of the study covered different aspects relevant to the development of new cruise terminal facilities in Hong Kong, such as operation, management and maintenance issues. This study, completed in 2006-07, provided useful information to the Government in preparing the documents for inviting open tender for the new cruise terminal at Kai Tak. Under the current consultancy, we have engaged international experts to advise the Government on formulating and drafting the requirements for the new cruise terminal in the tender documents. These experts will also provide advice to the Tender Assessment Panel on cruise terminal operation and engineering aspects. The consultancy is expected to complete in mid-2008.
2. Both hardware and software development are equally important for Hong Kong to develop into a regional cruise hub. In this regard, apart from the development of a new cruise terminal, we will make use of the balance to conduct studies on the development of the cruise market, such as marketing strategy, cruise itinerary development, and supply of talent, etc., with a view to formulating policies and measures to enhance the development of Hong Kong as a leading cruise hub in the region.

Signature	_____
Name in block letters	<u>MISS YVONNE CHOI</u>
	Permanent Secretary for Commerce and Economic Development
Post Title	<u>(Commerce, Industry and Tourism)</u>
Date	<u>25.3.2008</u>

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Subhead (No. & title) : 700 A  
"Hospitable  
Hong Kong"  
Campaign

Programme : -

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Expenditure on A "Hospitable Hong Kong" Campaign for previous years

(\$'000)	at 31.3.2003	2003-04	2004-05	2005-06	2006-07	2007-08 (Revised Estimate)
Estimated Expenditure		1,400	7,890	3,960	2,567	2,568
Actual Expenditure	6,893	1,388	2,686	3,876	1,230	

Source: Estimates of previous years

In 2007-08, the estimated expenditure of A "Hospitable Hong Kong" Campaign is \$2.57 m. Please provide a breakdown of the activities to be launched and their respective expenditures required.

Asked by : Hon. SIN Chung-kai

Reply :

The revised estimate for running "A Hospitable Hong Kong" Campaign is \$2.57 m in 2007-08. The breakdown is as follows :

Activities	Estimated Expenditure
Organising service quality promotion seminars, a tourism forum and related activities to provide a platform to facilitate the communication and exchange of views among industry stakeholders (including hotels, travel trade and the retail sector).	\$1.45 m
Hong Kong Young Ambassador Scheme (to train young people of age 16 or above as Young Ambassadors to greet visitors and promote the hospitality culture. In 2007-08, a total of over 220 Young Ambassadors were appointed).	\$0.65 m
Producing Government APIs (Announcements in the Public Interest) for promotion of the hospitality culture to complement the staging of 2008 Olympic Equestrian Event in Hong Kong.	\$0.47 m

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Subhead (No. & title) : 700 A  
“Hospitable  
Hong Kong”  
Campaign

Programme : -

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Expenditure on A “Hospitable Hong Kong” Campaign for previous years

(\$'000)	at 31.3.2003	2003-04	2004-05	2005-06	2006-07	2007-08 (Revised Estimate)
Estimated Expenditure		1,400	7,890	3,960	2,567	2,568
Actual Expenditure	6,893	1,388	2,686	3,876	1,230	

Source: Estimates of previous years

Please explain why the actual expenditures for 2004-05 and 2006-07 are significantly lower than the estimated expenditures.

Asked by : Hon. SIN Chung-kai

Reply :

The allocation for “A Hospitable Hong Kong” Campaign is a general non-recurrent expenditure item. The total approved funding is \$22.4 m for supporting the phased implementation of various public education programmes to promote a hospitality culture in the community. The major elements are -

- (a) Operating a Hong Kong Young Ambassador Scheme to train young people of age 16 or above as Young Ambassadors to greet visitors and promote a hospitality culture. Over 200 tertiary and high school students are appointed each year as Young Ambassadors. By the end of 2007, more than 1 300 Young Ambassadors have completed the training programme and rendered about 83 000 hours of voluntary service.

- (b) Conducting a service quality study, in conjunction with the tourism and related industries and relevant government departments, to examine the service standards of the tourism sector, promote best practices and excellence of service, with a view to improving and enhancing the overall service quality of the tourism sector. The study was completed in 2005.
- (c) Organising service seminars and related activities to provide various communication platforms to facilitate the exchange of views among industry stakeholders (including hotels, travel agents and the retail sector).
- (d) Producing Government APIs (Announcements in the Public Interest) to promote a hospitality culture.

“A Hospitable Hong Kong” Campaign was launched in 2001. As at end March 2007, the accumulated expenditure was \$16.073 m. We are committed to ensuring the effective use of the approved funding. Any unused balance will be carried forward to the following year for organizing activities under the Campaign.

The actual expenditure in 2004-05 and 2006-07 is lower than the estimated expenditure, mainly because -

- (a) In 2004-05, we adopted a more cost-effective approach to organize the planned activities to reduce costs. For example, instead of following the market practice to hold seminars in hotels or convention and exhibition venues, we held the activities at government premises with the support of industry stakeholders to minimize the expenses.
- (b) In 2006-07, as the Government APIs being used at that time were still popular and effective in getting through the message, we deferred the planned production of a new series of APIs to late 2007 for promotion of hospitality culture to complement the staging of 2008 Olympic Equestrian Events in Hong Kong.

The annual cash flow for “A Hospitable Hong Kong” Campaign has been included in the Controlling Officer’s Report of the Annual Estimates for public scrutiny.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:  
Commerce, and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Subhead (No. & title) : 700 A  
“Hospitable  
Hong Kong”  
Campaign

Programme : -

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Expenditure on A “Hospitable Hong Kong” Campaign for previous years

(\$'000)	at 31.3.2003	2003-04	2004-05	2005-06	2006-07	2007-08 (Revised Estimate)
Estimated Expenditure		1,400	7,890	3,960	2,567	2,568
Actual Expenditure	6,893	1,388	2,686	3,876	1,230	

Source: Estimates of previous years

The former Economic Development and Labour Bureau sought approval from the Finance Committee of the Legislative Council on 14 May 2004 for a provision of \$12.8 m for the extension for two years of A “Hospitable Hong Kong” Campaign which was scheduled to conclude in mid-2004. Funding was sought for the implementation of the following projects:

Projects	Estimated Cost (\$ m)
Hong Kong Young Ambassador Scheme	1.8
Production and broadcast of a new series of Announcements of Public Interest	1.0
Service quality study	5.0
Sector-specific seminars and campaigns promoting quality service	5.0

Source: Legislative Council Paper FCR(2004-05)11

- a. What is the progress of the above projects? Please provide the date of completion for projects completed and their actual expenditure.
- b. For projects which are already completed, please explain how the expenditures were spent since either mid-2006 or the last project was completed (whichever is the later). Did the Government explain to the Legislative Council why funding was spent for a different purpose? If yes, when? If no, what are the reasons?



- c. For projects which are scheduled to complete in 2006, please explain in detail why they are still pending for completion and provide an expected date of completion for the whole campaign. Did the Government explain to the Legislative Council why these projects are still pending for completion? If yes, when? If no, what are the reasons?

Asked by : Hon. SIN Chung-kai

Reply :

The allocation for “A Hospitable Hong Kong” Campaign is a general non-recurrent expenditure item. The total approved funding is \$22.4 m for supporting the phased implementation of various public education programmes to promote a hospitality culture in the community. The major elements are -

- (a) Operating a Hong Kong Young Ambassador Scheme to train young people of age 16 or above as Young Ambassadors to greet visitors and promote a hospitality culture. Over 200 tertiary and high school students are appointed each year as Young Ambassadors. By the end of 2007, more than 1 300 Young Ambassadors have completed the training programme and rendered about 83 000 hours of voluntary service.
- (b) Conducting a service quality study, in conjunction with the tourism and related industries and relevant government departments, to examine the service standards of the tourism sector, promote best practices and excellence of service, with a view to improving and enhancing the overall service quality of the tourism sector. The study was completed in 2005.
- (c) Organizing service seminars and related activities to provide various communication platforms to facilitate the exchange of views among industry stakeholders (including hotels, travel agents and the retail sector).
- (d) Producing Government APIs (Announcements in the Public Interest) to promote a hospitality culture.

“A Hospitable Hong Kong” Campaign was launched in 2001. As at end March 2007, the accumulated expenditure was \$16.073 m. We are committed to ensuring the effective use of the approved funding. Any unused balance will be carried forward to the following year for organizing activities under the Campaign.

A breakdown of the total expenditure up to end March 2008 is as follows -

Activities	Actual Expenditure
Hong Kong Young Ambassador Scheme	\$5.788 m
Conducting a service quality study	\$1.300 m
Organising service quality promotion seminars, a tourism forum and related activities	\$7.625 m
Producing Government APIs for promotion of hospitality culture	\$1.360 m

The annual cash flow for “A Hospitable Hong Kong” Campaign has been included in the Controlling Officer’s Report of the Annual Estimates for public scrutiny.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In each of the past five years, how many exhibitions that were intended to be held in Hong Kong were not able to secure allocation of venue spaces because of a shortage of venues?

Asked by : Hon. SIN Chung-kai

Reply :

According to the information provided by the two major convention and exhibition venues in Hong Kong, since its opening in end 2005 until end 2007, the AsiaWorld-Expo had not rejected any application for exhibition spaces because of shortages of spaces. The numbers of exhibitions that were unable to secure allocation of exhibition spaces (many of these applications were for holding exhibitions during peak seasons) because of shortages of spaces at the Hong Kong Convention and Exhibition Centre (HKCEC) in the past five years are set out below -

Year	Number of exhibitions unable to secure allocation of exhibition spaces at the HKCEC
2007	7
2006	8
2005	5
2004	4
2003	3

We will continue to discuss with the trade and the venue operators to explore how to encourage exhibitors to organise exhibitions during non-peak seasons and to enhance the cooperation between the two major venue operators to facilitate more effective utilisation of Hong Kong's venue supply.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In each of the past five years, how many exhibitions that were intended to be held in Hong Kong were not provided with a venue space of the size they had applied for because of a shortage of venues? Please provide yearly figures on the total area of the venue spaces that the Trade Development Council was not able to provide.

Asked by : Hon. SIN Chung-kai

Reply :

As we have not conducted any survey to collect these statistics, we cannot provide the relevant information. Nevertheless, according to the information provided by the two major convention and exhibition venues in Hong Kong, since its opening in end 2005 until end 2007, the AsiaWorld-Expo had not rejected any application for exhibition spaces because of shortages of spaces. The numbers of exhibitions that were unable to secure allocation of exhibition spaces (many of these applications were for holding exhibitions during peak seasons) because of shortages of spaces at the Hong Kong Convention and Exhibition Centre (HKCEC) in the past five years are set out below -

Year	Number of exhibitions unable to secure allocation of exhibition spaces at the HKCEC
2007	7
2006	8
2005	5
2004	4
2003	3

We will continue to discuss with the trade and the venue operators to explore how to encourage exhibitors to organise exhibitions during non-peak seasons and to enhance the cooperation between the two major venue operators to facilitate more effective utilisation of Hong Kong's venue supply.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Will it be possible for the Trade Development Council to reach a consensus with the Government on the location of the Hong Kong Convention and Exhibition Centre Phase 3 in 2008-09? If not, when is the consensus expected to be reached?

Asked by : Hon. SIN Chung-kai

Reply :

On the proposed Hong Kong Convention and Exhibition Centre Phase 3 project, the Government is working closely with the Hong Kong Trade Development Council to review and address related issues, including planning issues and impacts on traffic and other public facilities that will be affected. At this stage, it is not possible to predict when a consensus can be reached.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Subhead (No. & title) : 000 Operational  
expenses

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the duties and ranks of the five posts to be created under this programme?

Asked by : Hon. SIN Chung-kai

Reply :

Under Programme (2), details of the 5 new posts to be created in 2008-09 are as follows:

Rank	Duty
1 Information Officer	To address increased workload on information services in Commerce, Industry and Tourism Branch arising from the re-organisation of the Government Secretariat w.e.f. 1 July 2007.
1 Assistant Information Officer	
1 Executive Officer II	To address increased workload on executive support in Commerce, Industry and Tourism Branch arising from the re-organisation of the Government Secretariat w.e.f. 1 July 2007.
1 System Manager	To replace non-civil service contract positions so as to address long-term manpower requirement in respect of information technology support for Commerce, Industry and Tourism Branch and overseas Economic and Trade Offices.
1 Analyst/Programmer I Officer	

Signature

Name in block letters

MISS YVONNE CHOI

Post Title

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to the Quality Tourism Services Scheme, please provide a breakdown of expenditure on the following items from 2005-06 to 2007-08:

- a. funds provided by the Hong Kong Tourism Board to the Quality Tourism Services Association for operating the QTS Scheme;
- b. the HKTB's expenditure on publicity and other kinds of support.

Asked by : Hon. SIN Chung-kai

Reply :

The Quality Tourism Services (QTS) Scheme is operated by the Hong Kong Tourism Board (HKTB), and not the Quality Tourism Services Association (QTSA).

The HKTB is responsible for the administration of the QTS Scheme, including recruitment, accreditation and monitoring of merchants, as well as promotion of the QTS Scheme to visitors. Part of the expenditure of the QTS Scheme is met by the application and renewal fees received from QTS merchants. The HKTB will cover the remaining balance.

The QTSA is an independent organisation. Its members are mostly QTS accredited merchants. The main functions of the QTSA are to organise training courses and seminars for its members, and to promote communication between the industry and the Government. To enhance the service quality of QTS merchants, the HKTB asks the QTSA to draw up training plans annually and provides funding to subsidise the QTSA for organising relevant training activities.

From 2005-06 to 2007-08, the HKTB's net expenditure on publicity and other kinds of support and the actual funding it provided to the QTSA are as follows –



	2005-06 (\$ million)	2006-07 (\$ million)	2007-08 (\$ million)
1. Total expenditure of QTS Scheme	21.4	25.1	17.6
▪ Publicity	10.3	13.1	5.6 <sup>Note</sup>
▪ Accreditation, quality assurance, scheme development and administrative costs	4.8	4.4	4.7
▪ Staff remuneration	6.3	7.6	7.3
Income (mostly application and renewal fees from QTS accredited merchants)	(4.9)	(5.3)	(5.4)
<b>Net expenditure of QTS Scheme</b>	<b>16.5</b>	<b>19.8</b>	<b>12.2</b>
2. Funding provided by the HKTB to QTSA	2.04	2.04	2.0
<b>Total</b>	<b>18.54</b>	<b>21.84</b>	<b>14.2</b>

Note: In 2005-06 and 2006-07, the HKTB used the non-recurrent provision earmarked for the “Discover Hong Kong Year” to enhance the publicity of the QTS Scheme. In 2007-08, due to the limited balance of the non-recurrent provision, funding for the publicity of the QTS Scheme was reduced accordingly.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

26.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Based on what criteria (e.g. number of stores) did the Hong Kong Tourism Board (HKTB) provide funding to the Quality Tourism Services Association (QTSA) when it commissioned the QTSA to operate the Quality Tourism Services Scheme? Please show how the HKTB calculated the actual amount of funding for the QTSA from 2005-06 to 2007-2008 based on such criteria.

Asked by : Hon. SIN Chung-kai

Reply :

The Quality Tourism Services (QTS) Scheme is operated by the Hong Kong Tourism Board (HKTB), and not the Quality Tourism Services Association (QTSA).

HKTB is responsible for the administration of the QTS Scheme, including recruitment, accreditation and monitoring of merchants, as well as promotion of the QTS Scheme to visitors. Part of the expenditure of the QTS Scheme is met by the application and renewal fees received from QTS merchants. HKTB will cover the remaining balance.

The QTSA is an independent organisation. Its members are mostly QTS accredited merchants. The main functions of the QTSA are to organise training courses and seminars for its members, and to promote communication between the industry and the Government. To enhance the service quality of QTS merchants, the HKTB asks the QTSA to draw up training plans annually and provides funding to subsidise the QTSA for organising relevant training activities.

According to the agreement between the HKTB and the QTSA, the annual funding provided by the HKTB to the QTSA is based on the number of outlets operated by relevant members<sup>Note</sup> of the QTSA. After a review in 2006-07, it was agreed that the amount of funding should be calculated in terms of the following, whichever is less –

- (1) the number of outlets operated by relevant members<sup>Note</sup> of the QTSA; or
- (2) the net expenditure incurred by the QTSA after deducting the total income from the total expenditure for providing the services as specified by the HKTB, e.g. organizing training programmes and seminars.

The actual funding provided by the HKTB to the QTSA from 2005-06 to 2007-08 are as follows-

	2005-06 (\$M)	2006-07 (\$M)	2007-08 (\$M)
Total amount of funding	2.04	2.04	2.0

<sup>Note</sup>: "Relevant members" refer to those members of the QTSA who are QTS accredited merchants.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	26.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What were the respective expenditures of the Quality Tourism Services Scheme from 2005-06 to 2007-08? What were the expenses for publicity, administration and remuneration respectively?

Asked by : Hon. SIN Chung-kai

Reply :

The Hong Kong Tourism Board (HKTB)'s actual expenditure in 2005-06 and 2006-07 and the revised estimates for 2007-08 for the implementation of the Quality Tourism Services (QTS) Scheme are as follows—

	2005-06 (\$ million)	2006-07 (\$ million)	2007-08 (\$ million)
1. Total expenditure of QTS Scheme	21.4	25.1	17.6
▪ Publicity	10.3	13.1	5.6 <sup>Note</sup>
▪ Accreditation, quality assurance, scheme development and administrative costs	4.8	4.4	4.7
▪ Staff remuneration	6.3	7.6	7.3
Income (mostly application and renewal fees from QTS accredited merchants)	(4.9)	(5.3)	(5.4)

	2005-06 (\$ million)	2006-07 (\$ million)	2007-08 (\$ million)
<b>Net expenditure of QTS Scheme</b>	<b>16.5</b>	<b>19.8</b>	<b>12.2</b>
2. Funding provided by the HKTB to QTSA	2.04	2.04	2.0
<b>Total</b>	<b>18.54</b>	<b>21.84</b>	<b>14.2</b>

Note: In 2005-06 and 2006-07, the HKTB used the non-recurrent provision earmarked for the “Discover Hong Kong Year” to enhance the publicity of the QTS Scheme. In 2007-08, due to the limited balance of the non-recurrent provision, funding for the publicity of the QTS Scheme was reduced accordingly.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

26.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Could the funds allocated by the Tourism Board to the Quality Tourism Services Association for operating the Quality Tourism Services Scheme fully meet the expenditure of the Scheme?

Asked by : Hon. SIN Chung-kai

Reply :

The Quality Tourism Services (QTS) Scheme is operated by the Hong Kong Tourism Board (HKTB), and not the Quality Tourism Services Association.

HKTB is responsible for the administration of the QTS Scheme, including recruitment, accreditation and monitoring of merchants, as well as promotion of the QTS Scheme to visitors. Part of the expenditure of the QTS Scheme is met by the application and renewal fees received from QTS merchants. HKTB will cover the remaining balance.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**MISS YVONNE CHOI**

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

26.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please list in the table below the actual expenditure for 2006-07, the revised estimate for 2007-08 and the estimate for 2008-09 for “Hong Kong – Live it, Love it!”

Asked by : Hon. SIN Chung-kai

Reply :

The recurrent allocation used by the Hong Kong Tourism Board (HKTB) in 2006-07 (actual expenditure) and 2007-08 (revised estimate) for implementing the “Hong Kong – Live it, Love it!” marketing campaign are as follows -

	<b>2006-07 Actual (HK\$M)</b>	<b>2007-08 Revised Estimate (HK\$M)</b>
Promotional activities targeted at the trade		
1. Promotion activities for the trade	29.84	24.61
2. Inbound study visits for the trade	2.95	3.53
3. Business development	19.92	15.59
4. Tourism product development	0.85	0.78
Sub-total	53.56	44.51

	<b>2006-07 Actual (HK\$M)</b>	<b>2007-08 Revised Estimate (HK\$M)</b>
Promotional activities targeted at consumers		
1. Overseas promotion and advertising	51.84	62.71
2. Production of tourist information, publications and publicity materials	18.61	9.57
3. Support for the Government's overseas promotional activities	1.35	2.93
4. On-line promotion	7.51	8.72
5. Organisation of the Best of the Best Culinary Awards	1.31	2.12
Sub-total	80.62	86.05
Public relations programmes		
1. Familiarisation visits for the media	6.52	5.86
2. Overseas public relations, publicity and promotion programmes	26.16	22.95
Sub-total	32.68	28.81
Other activities		
1. Strategic planning and market research	17.53	17.77
2. Organisation of the Hong Kong Shopping Festival	13.42	0.97 <sup>Note 1</sup>
3. Overseas promotion for mega events and activities held in Hong Kong	15.92	21.22
4. Staging International Chinese New Year Night Parade	0 <sup>Note 2</sup>	15.00
5. Market third-party events	0 <sup>Note 2</sup>	1.50
Sub-total	46.87	56.46
Other expenditure <sup>Note 3</sup>	53.23	51.42
<b>Total</b>	<b>266.96</b>	<b>267.25</b> <sup>Note 4</sup>



Note 1: This activity was partially funded by additional funds in 2007-08.

Note 2: This event was funded by additional funds in 2006-07.

Note 3: Other expenditure includes destination information dissemination, corporate support and fees for agency representatives overseas.

Note 4: Apart from the above, non-recurrent allocation used for implementing the “Hong Kong – Live it, Love it!” marketing campaign is \$68.21 million (revised estimate). The total revised estimate in 2007-08 for the promotion work was \$335.46 million.

In 2008-09, the HKTB has adopted a different approach in planning the “Hong Kong – Live it, Love it!” marketing campaign. The promotion programmes and estimated expenditure are as follows -

<b>Promotion Programmes</b>	<b>Estimated Expenditure (HK\$M)</b>
1. Capitalise on the opportunities and minimise the risks of the 2008 Beijing Olympics	20.2
2. Strengthen Hong Kong’s position as the leading MICE destination and accelerate the development of the cruise segment	22.7
3. Step up collaboration with Pan Pearl River Delta, Macau and other Asian destinations on multi-destination itineraries	13.3
4. Enhance the “Hong Kong – Live it, Love it!” marketing platform	64.0
5. Inject excitement through creative destination offerings	103.9
6. Ensure delivery of value and quality	20.2
7. Strengthen partnerships with travel trade and initiate crossing-selling with non-travel trade partners	41.7
8. Strategic planning and research	16.2
9. Other marketing support	18.6
10. Other expenditure (mainly fees for agency representatives overseas)	11.1
<b>Grand Total</b>	<b>331.9</b>

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In its two audit reports issued in November 2007, the Audit Commission pointed out the internal governance problems of the Hong Kong Tourism Board (HKTB) and the ineffectiveness of the mega events staged by the HKTB. During 2008-09, the Commerce and Economic Development Bureau will monitor the HKTB in implementing measures to improve corporate governance and enhance value-for-money in response to the recommendations of the Director of Audit. Please inform this Committee of the specific measures to be taken and the expenditure to be incurred.

Asked by : Hon. SIN Chung-kai

Reply :

In the light of the recommendations of the Director of Audit (DoA)'s Report, we have asked the Hong Kong Tourism Board (HKTB) to review, improve, record and strictly comply with its internal procedures, and follow up closely on the DoA's recommendations and observations. In response to the recommendations of the DoA's Report, the HKTB has reviewed its existing financial policies and procedures, including procurement procedures, event management, authorisation structure and tendering processes, with a view to strengthening internal control and enhancing cost effectiveness. The HKTB has also invited the Independent Commission Against Corruption to review its procurement procedures. In addition, we have advised the HKTB to deploy more resources to ensure more comprehensive and effective performance of its Internal Audit, in order to tighten internal control. These improvement measures are currently at different stages of review and implementation. We will urge the HKTB to implement these measures rigorously and ask the management to update the Board and relevant committees of the review results and progress of implementation.

The staging of mega events is a significant part of the HKTB's marketing activities. They help maintain Hong Kong's competitiveness. To enhance cost-effectiveness and ensure more effective use of resources for these events, we urged the HKTB in early 2007 to conduct a comprehensive review of the strategy, format, cost and sponsorship arrangements of mega events, as well as the mechanism for evaluating their effectiveness, with reference to the experience in staging such events over the years. The review is expected to complete within this year.

The above efforts do not involve additional expenditure.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 – Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Six posts will be created in 2008-09. What are the duties of these posts? What ranks are they?

Asked by : Hon. SIN Chung-kai

Reply :

The Tourism Commission plans to create 6 civil service posts to replace progressively the existing non-civil-service contract posts to cope with the long-term manpower requirement for tourism development work. There is no increase in the total number of staff arising from the creation of these posts, which include 2 Senior Executive Officers and 4 Executive Officers I. Their main duties are to assist in the implementation of tourism projects, coordinating with relevant parties to facilitate the staging of tourism events in Hong Kong, and enhancing the service quality of the tourism industry. The total expenditure involved is \$3.4 m.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Subhead (No. & title) : 000 Operational  
expenses

Programme : -

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Why are the estimates for salaries and general departmental expenses in 2008-09 significantly higher than the original estimates in 2007-08? Are the salaries and other expenses arising from the creation of Under Secretary and Political Assistant posts included? If yes, what are the respective salaries for one Under Secretary and one Political Assistant? What increases in "general departmental expenses" and "other related expenses for administrative support" are incurred from the creation of one Under Secretary and one Political Assistant posts? What items are included in these expenses? Why is the revised estimate for salaries in 2007-08 significantly higher than the original one?

Asked by : Hon. SIN Chung-kai

Reply :

The 2007-08 revised estimates for salary and general departmental expenses are higher than the original approved estimates mainly because of the additional provision transferred from the former Head 145—Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) to Head 152 upon the re-organisation of the Government Secretariat with effect from 1 July 2007. And the 2008-09 estimates are higher than the 2007-08 original estimates mainly because of the full-year effect of the provision transferred from the former Head 145.

2. The 2008-09 estimate has included annual salary provisions of \$2.68 million and \$1.97 million for the Under Secretary and the Political Assistant respectively. The additional general departmental expenses and related expense for administrative support include the office operation expenses, other miscellaneous expenses and salary provision for 1 Senior Personal Secretary to be created to provide administrative support for the Under Secretary.

Signature

Name in block letters

MISS YVONNE CHOI

Post Title

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 – Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Tourism Commission plans to create 6 posts in 2008-09 to address the long-term manpower requirement for implementing tourism projects. Please specify the meaning of long-term manpower requirement as well as the ranks and duties of the posts concerned.

Asked by : Hon. TIEN Pei-chun, James

Reply :

The Tourism Commission plans to create 6 civil service posts to replace progressively the existing non-civil-service contract posts to cope with the long-term manpower requirement for tourism development work. There is no increase in the total number of staff arising from the creation of these posts, which include 2 Senior Executive Officers and 4 Executive Officers I. Their main duties are to assist in the implementation of tourism projects, coordinating with relevant parties to facilitate the staging of tourism events in Hong Kong, and enhancing the service quality of the tourism industry. The total expenditure involved is \$3.4 m.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. &  
Commerce and Economic Development Bureau title) :  
(Commerce, Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The provision for 2008-09 under the Programme is 24.4% lower than the revised estimate for 2007-08, which, according to the Administration, is due to the decreased cash flow requirement for a consultancy study on competition. Could the Administration please list out the consultancy study's cash flow requirement, total expenditure and the areas involved for each year?

Asked by : Hon. TIEN Pei-chun, James

Reply :

In June 2007, we appointed a consultant to provide expert advice on issues relating to the development of competition law, in particular with reference to regulatory frameworks in other jurisdictions. In 2007-08 the cash flow requirement is estimated to be approximately \$10 million. Our forecast for 2008-09 reflects our projection that the cash flow for the coming financial year 2008-09 will be around \$6 million.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Bureau)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Allocation of funds to the Consumer Council will be increased in 2008-09 to promote consumer protection of Mainland tourists. Would the Administration give details of the plan and the expenditure involved?

Asked by : Hon. TIEN Pei-chun, James

Reply :

The project mainly consists of the following 3 parts:

1. Pre-shopping guide  
In September 2007, the Consumer Council set up a dedicated website "Shopsmart" for mainland tourists to provide them with one-stop consumer information. Its content covers products popular among mainland tourists and topics of their concern and interest.
2. Post-shopping assistance  
The Council has a designated Putonghua team to handle enquiries and complaints from Mainland tourists.
3. Liaison with related mainland organizations  
The Council will strengthen the liaison with mainland consumer organizations by:
  - (i) creating a designated liaison officer to promote exchange activities with mainland consumer organizations; and
  - (ii) organizing training courses and seminars for personnel from mainland consumer organizations so that they can help screen/mediate/refer complaints from consumers.

The estimated budget for 2008-09 for the project is \$4.1 M, which is allocated as follows:

1. Provision of pre-shopping information – \$2.21M
2. Post-shopping assistance – \$0.62M
3. Liaison with related organizations in the Mainland – \$0.61M
4. Clerical support and other recurrent expenditure – \$0.66M



Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : Head 152 - Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In 2008-09, how much resource and money will be put into supporting small and medium enterprises by the Commerce and Economic Development Bureau? What supporting policies will be adopted?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

Under the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) (Head 152), officials responsible for policies to support small and medium enterprises (SMEs) include the Permanent Secretary, a Deputy Secretary, a Principal Assistant Secretary and an Assistant Secretary. As they are also responsible for other areas of work, it is not practicable to provide a breakdown of the personal emolument and related departmental expenses involved in the support of SMEs.

The SAR Government attaches great importance to the development of SMEs and strives to establish and maintain a favourable business environment for them. Through the Trade and Industry Department (TID), we will continue to implement the SME Funding Schemes to assist SMEs in securing financing, expanding their markets and enhancing their competitiveness. TID has also implemented various new enhancement measures to the Funding Schemes in March 2008.

In addition, the Support and Consultation Centre for SMEs (SUCCESS) under TID provides free, reliable and practical information and consultation services for SMEs (including business start-ups).

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**MISS YVONNE CHOI**

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Post Title \_\_\_\_\_

Date \_\_\_\_\_

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In 2008-09, what policies will be formulated by the Commerce and Economic Development Bureau to protect intellectual property rights? How will the policies be supported financially?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

The Administration is committed to protecting intellectual protection rights through a robust legal regime, stringent enforcement and sustained public education activities. This would provide an environment conducive to the sustainable development of creative industries in Hong Kong.

In 2008-09, the Administration will continue to follow up matters arising from enactment of the Copyright (Amendment) Ordinance 2007 ("the Amendment Ordinance"). Specific tasks include working on the relevant subsidiary legislation and rolling out suitable publicity and public education programmes, thus paving the way for the phased commencement of provisions that are yet to come into operation. Moreover, to meet the challenges posed by advances in technology, we are considering ways to strengthen the copyright protection regime in the digital environment. Our preliminary proposals will be released shortly.

The Administration will continue to enforce the law and organize relevant publicity and public education activities using existing resources. In addition, to tie in with the commencement of the Amendment Ordinance, we would set aside an additional \$4.3 million in 2008-09 for the Intellectual Property Department to continue running the Software Asset Management Consultancy Programme and organizing public education activities relating to the Amendment Ordinance.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What is the progress of the implementation of measures to strengthen copyright protection in the digital environment? What is the estimate for 2008?

Asked by : Hon TONG Ka-wah Ronny

Reply :

The public consultation on copyright protection in the digital environment ended in April 2007. The Administration received more than 600 submissions. Having examined the views received, and in the light of the experience and latest developments in overseas jurisdictions, we have more or less completed the formulation of preliminary proposals. We aim to release our preliminary proposals (the basis for our next stage of consultation/engagement with the Legislative Council and stakeholders concerned) in April 2008, with a view to building consensus on the legislative package in early 2009. We will be using existing resources to undertake the above tasks.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The estimated number of trade and services promotion events to be held by the Hong Kong Trade Development Council in 2008 increases by 28 comparing with the figure in 2007. What types of events are involved? How many companies are expected to participate in the events? What is the required financial resource?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

As the events organised by the Hong Kong Trade Development Council (HKTDC) in 2007 and those to be held in 2008 are not exactly the same, it is not possible to identify which 28 events are new when compared to the 2007 list and, hence, to provide related information on financial resources and participating companies.

Nevertheless, for 2008, HKTDC plans to organise more events targeting the Mainland and other emerging markets in general. The Mainland promotion events are planned taking into account the Central Government's initiatives to develop the central and western regions etc. In addition, some of these events will target at the increasing number of Mainland private enterprises in the Yangtze River Delta and coastal regions to attract them to make more use of the Hong Kong's services for their trade and economic activities (and thereby, assisting the Hong Kong's services industry to grow their business). As regards the emerging markets, the additional promotion events will aim to develop the markets in Central Europe and South America.

Signature

Name in block letters

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title

(Commerce, Industry and Tourism)

Date

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What measures will be taken by the Hong Kong Trade Development Council to champion Hong Kong's service and manufacturing companies' quality?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

The Hong Kong Trade Development Council (HKTDC) will adopt the following six strategies to champion Hong Kong's service and manufacturing industries' quality, sophistication and creativity -

- (a) promote a favourable image of Hong Kong products and services;
- (b) market Hong Kong branded products;
- (c) reinforce Hong Kong's role as a creative hub;
- (d) drive Hong Kong to become a regional design hub;
- (e) strengthen Hong Kong's role as Asia's international financial centre; and
- (f) explore business opportunities in emerging markets.

Activities to be conducted by HKTDC to carry out the above initiatives in the coming year will include organisation of exhibitions, conferences, seminars and workshops, etc. At the same time, HKTDC will conduct outreaching missions and roadshows to promote Hong Kong's various advantages and to assist Hong Kong companies to seek new business opportunities.

Signature

Name in block letters

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title

(Commerce, Industry and Tourism)

Date

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. &  
Commerce and Economic Development Bureau title) :  
(Commerce, Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Would the Administration advise the current progress of the drafting of the competition bill? Is there a timetable? What are the financial resources required?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

In November 2006, we launched a three-month public consultation exercise on the way forward for Hong Kong's competition policy. Feedback during the consultation period indicated general support for the introduction of a cross-sector competition law in Hong Kong.

Notwithstanding the general support for a general competition law, some in the business sector have expressed concerns at the possible effect that such a law might have on business, especially SMEs. In his 2007 Policy Address, the CE said that in order to allay these concerns, we would publish proposals for public discussion before introducing a Bill in the 2008-09 legislative session. We aim to issue a document outlining the proposed major provisions before mid-2008. Taking into account public views on the proposals, we will finalise the draft legislation accordingly.

Additional resources will be required for the effective implementation of the competition law and we will make reference to the requirements of overseas competition authorities and local statutory authorities when preparing the estimated resource requirements.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : Head 152 - Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question:

Does the Commerce and Economic Development Bureau intend to make any amendments to the consumer protection law? Please inform this Committee the financial arrangements concerned.

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

The Commerce and Economic Development Bureau introduced the Trade Descriptions (Amendment) Bill 2007 into the Legislative Council in January 2008, seeking to expand the scope of protection for consumers under the Trade Descriptions Ordinance (Cap. 362). The Bill is now being scrutinised by the Bills Committee of the Legislative Council.

As part and parcel of the enhanced protection measures proposed in the Bill, we would also make or amend eight pieces of subsidiary legislation under the same Ordinance.

The new measures will be enforced by the Customs and Excise Department. The exact staffing requirements will be worked out in due course.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

20.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Subhead (No. & title) : 000 Operational  
expenses

Programme : (1) Director of Bureau's Office

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding Director of Bureau's Office, would the Administration explain why there is an increase of 9% in the revised estimated expenditure over the original figure for 2007-08? What uses are involved?

Asked by : Hon. Tong Ka-wah, Ronny

Reply :

The 2007-08 revised estimate for the Director of Bureau's Office is higher than the original estimate. This is mainly due to the additional salary provision for the engagement of a Press Secretary under short-term Non-Civil Service Contract (from 8 January 2007 to 30 June 2007) by this Bureau upon the posting out of the Press Secretary for the former Secretary for Commerce, Industry and Technology who was deployed from the Information Services Department, and whose salary was previously chargeable to Head 74 – Information Services Department. In addition, increased provision was required to cover the salary increase of the Secretary for Commerce and Economic Development w.e.f. 1.7.2007.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**MISS YVONNE CHOI**

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please advise on the Hong Kong Tourism Board's total expenditure used for promoting Hong Kong overseas in 2007-08 and 2008-09, with a breakdown of major source markets.

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

The total expenditure of Hong Kong Tourism Board (HKTB) for the Mainland and overseas markets in 2007-08 and 2008-09 is as follows -

	<b>2007-08 Revised Estimates (HK\$M)</b>	<b>2008-09 Proposed Expenditure (HK\$M)</b>
Mainland China	42.0	45.3
Taiwan	17.6	16.0
Singapore	4.8	4.3
Thailand	2.8	2.5
Malaysia	3.0	3.0
Indonesia	0.8	0.7
Philippines	3.5	3.8
India	3.4	3.8
Japan	16.9	16.7
South Korea	10.7	11.5
USA	22.9	22.1
Canada	4.0	4.4
Central and South Americas (e.g. Mexico and Argentina etc.)	0.5	0.6
UK	11.3	11.3
France	3.3	3.6
Germany	4.6	4.2
Others European countries (e.g.	7.2	6.9

	<b>2007-08 Revised Estimates (HK\$M)</b>	<b>2008-09 Proposed Expenditure (HK\$M)</b>
Italy, Denmark and Sweden etc.)		
Middle East	1.4	2.5
Russia	1.0	2.1
Australia & New Zealand	10.3	10.3
<b>Total</b>	<b>171.9</b>	<b>175.3</b>

Note: The slight difference between the sum of individual items and their total is due to numerical rounding-off.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the estimated expenditure for developing high-potential markets like South Korea and the Philippines? How will the Tourism Board develop such markets?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

In 2008-09, the Hong Kong Tourism Board (HKTB) will allocate more resources to develop two high-potential markets, namely, South Korea and the Philippines. The estimated marketing resources allocated for these two markets are HK\$11.5 million and HK\$3.8 million respectively. Details of the planned promotion work are as follows -

South Korea

- in view of the young segment's preference to take short weekend vacations abroad, to reinforce Hong Kong as a premier weekend destination and produce travel guides that cater for their interests;
- to work with major tourist attractions and the travel trade to develop "education-cum-entertainment tours for kids" to attract family visitors. Targeting at the student segment, the HKTB will develop new itineraries featuring seminars and cultural exchange activities;
- leveraging low-cost carrier services connecting South Korea, Macau and Shenzhen, HKTB will strengthen cooperation with the tourism authorities of Macau and Shenzhen to promote combo itineraries covering Hong Kong; and
- to penetrate into secondary cities, such as Busan and Cheongju, by organising trade familiarisation trips and strengthening publicity and consumer promotion.

## The Philippines

- in view of Filipino visitors' preference for family travel and shopping, the HKTB will continue to highlight Hong Kong's family attractions, shopping malls and leisure activities. The HKTB has published a guidebook, "Hong Kong Secret Addresses", which features shopping, dining and entertainment top picks by celebrities in Hong Kong and the Philippines;
- to strengthen partnership with low-cost carriers in developing travel packages to encourage Filipinos to visit Hong Kong during low seasons; and
- to develop combo itineraries encompassing Hong Kong and destinations in the Pan Pearl River Delta region.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are proposals for launching mega events with new format, and the expenditure involved?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

The Hong Kong Tourism Board (HKTB) is currently conducting a comprehensive review of its mega event strategy. It plans to complete the review within this year.

In 2008-09, the HKTB plans to organise mega events in three key tourism promotion periods, namely, the summer, Christmas and the New Year, and the Chinese New Year. In summer, the HKTB will repackage the shopping festival by riding on the Olympic ambience and Hong Kong's strengths in shopping and dining. During Christmas and the New Year, the HKTB will use the promotion platform developed in 2007 and organise Christmas and the New Year's Eve countdown activities. As for the Chinese New Year, the HKTB will leverage the festivities to organise a mega event. The expenditure for staging these three mega events in Hong Kong and associated promotion activities overseas is estimated at \$78.26 million.

The HKTB will continue to seek more commercial sponsorship for these mega events. For example, it secured new sponsors for the New Year's Eve countdown in 2007 and the International Chinese New Year Parade in 2008.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Subhead (No. & title) : 000 Operational  
expenses

Programme : -

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please explain why the revised estimate of the recurrent operational expenses for 2007-08 was higher than the originally approved estimate by \$454,518,000. What areas accounted for the overspending?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

The 2007-08 revised estimate for the operational expenses is higher than the original approved estimate. This is mainly because the revised estimate has included additional provision transferred from the former Head 145 — Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch) to Head 152 upon the re-organisation of the Government Secretariat with effect from 1 July 2007.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary of Commerce and Economic Development

Question :

The Consumer Council intends to forge close-operation with consumer organizations in the Mainland in 2008-09 to help Mainland tourists understand Hong Kong's market practice. Please provide details of the plans, including the activities to be held, the type of promotional programmes to be launched and the means for enhancing the flow of information to achieve this purpose. What is the expenditure involved? What is the distribution profile of various kinds of activities?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

The Consumer Council has, in collaboration with the China Consumers' Association, set up a dedicated website "Shopsmart" for mainland tourists to provide them with one-stop consumer information. The Council has actively promoted the new website by establishing hyperlinks with the websites of 13 mainland organizations (including the China National Tourism Administration). Since its launch in September 2007, the website has recorded more than 30 million hits. The total annual expenditure incurred by the website is around \$2.21 million.

To strengthen liaison with mainland consumer organizations, the Council has a designated liaison officer responsible for promoting exchange activities with mainland consumer organizations. The work includes introducing to visiting mainland organizations the local consumer market practice and various protection measures for consumers. The Council also plans to organise training courses and seminars for personnel from mainland consumer organizations so that they can help screen/mediate/refer complaints from consumers. The total annual expenditure involved is about \$610,000.

In addition, the Council has a designated Putonghua team to handle enquiries and complaints from mainland tourists. The total annual expenditure involved is about \$620,000.



Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

Examination of Estimates of Expenditure 2008-09  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**CEDB(CIT)095**

Question Serial No.

1371

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary of Commerce and Economic Development

Question :

What studies in relation to consumer protection in Hong Kong are conducted by the Consumer Council? What subjects are still under study at present? How much funding is required?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

The Consumer Council regularly conducts studies on the development trends of products and services, as well as product tests and service surveys, and publishes the results of these tests and surveys.

In end February, the Council completed a comprehensive review of the existing consumer protection legislation and submitted a report to the Commerce and Economic Development Bureau. The Council will also provide comments in response to the consultation on subjects such as the labelling scheme on nutrition information, mode of supply of self-financed drugs in public hospitals and regulation of unsolicited electronic messages, etc.

In addition, the Council is also examining the clauses of some consumer contracts used in the provision of services and the problem related to property transactions.

Some of the above studies are conducted by dedicated staff of the Council. The provision for market trend researches and product tests to be conducted in 2008-09 is estimated to be \$3.29 million (excluding staff emolument).

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

On what basis will the Administration join forces with the tourism sector and the major arts groups to promote cultural tourism?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

The Tourism Commission, in collaboration with major performing arts groups and the tourism sector, established a working group in October 2007 to devise and implement a pilot scheme to promote cultural tourism in Hong Kong. The objectives of the pilot scheme are to –

- (a) provide a platform to facilitate the communication between performing arts groups and the tourism sector on promotion of our cultural and arts offerings to visitors;
- (b) upgrade Hong Kong Tourism Board's website for more effective promotion of upcoming event highlights to travel trade partners and overseas visitors; and
- (c) enhance the user-friendliness of the existing online ticketing system for internet booking by travel trade partners and individual overseas visitors to join arts and cultural activities in Hong Kong.

The pilot scheme is a new initiative aiming to leverage our arts and cultural products to enrich visitors' nightlife and travel experience. We will continue to join hands with the participating performing arts groups and tourism sector representatives to improve the marketing platform. Subject to market feedback, we look forward to expanding the scheme to include other interested performing arts groups and travel trade partners.

The pilot scheme will be implemented with existing resources. No additional expenses will be incurred.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau  
(Commerce, Industry and Tourism  
Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

For the following projects, please provide details of the implementation time schedule, progress and expenditure:

- (i) Ngong Ping Landscaped Piazza Project;
- (ii) Aberdeen Tourism Project;
- (iii) Enhancement of Facilities in Lei Yue Mun; and
- (iv) Development of a Piazza in Tsim Sha Tsui.

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

The required information is appended below:

Project	Schedule of Implementation	Progress	Estimated Expenditure in 2008-09 (million)
Enhancement of public facilities at Ngong Ping, Lantau	Works are scheduled to commence in June 2008 for completion in December 2009.	Funding approval was given by Finance Committee on 22 February 2008. We are currently arranging for the invitation of tenders for the project.	27.2
Aberdeen Tourism Project	Works are expected to commence in late 2009 for phased completion in 2012/2013.	We have appointed a business consultant to assess the financial viability, business potential and institutional arrangement for future implementation.	0

Project	Schedule of Implementation	Progress	Estimated Expenditure in 2008-09 (million)
Lei Yue Mun Waterfront Enhancement Project	Works are expected to commence in mid-2009 for completion in phases starting from late 2010.	We have consulted the Kwun Tong District Council, green groups and fishermen's association on the conceptual design of the project. Having regard to the concerns over possible impact of the proposed landing facility on marine traffic, we are working out suitable measures and arrangements in conjunction with relevant departments in the light of the views collected. Upon completion of public consultation, we shall finalize the scope and design of the project.	0
Development of a Piazza in Tsim Sha Tsui	Works are expected to commence in mid-2010 the earliest for completion in 2011.	We have been actively exploring the possible uses and the development and management modes of the proposed piazza. We organized a workshop in mid-2007 for relevant stakeholders and professional bodies to express their views on the proposed project, after which we conducted a three-month public engagement exercise to gauge public views on the uses and development and management modes of the piazza. In parallel, we consulted relevant professional bodies, the tourism trade and the District Council. Public views collected have been passed to an independent consultant for compilation and analysis.	0

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title (Commerce, Industry and Tourism)

Date 20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Why does the expenditure on travel and tourism increase substantially from \$52.5 m in 2007-08 to \$82.5 m in 2008-09?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

The Financial Secretary has earmarked \$150 m in "The 2008-09 Budget" to enhance the promotion of MICE (Meetings, Incentive Travels, Conventions and Exhibitions) in the next five years. The Government has invited the Hong Kong Tourism Board (HKTb) to take forward this Budget initiative and earmarked \$30 m in 2008-09 under Programme (6) for this purpose. The HKTb plans to step up its global publicity to raise Hong Kong's MICE profile and provide one-stop professional support for prestigious MICE events to be hosted in Hong Kong. Specific tasks include –

- (a) to provide one-stop support for MICE event organisers, assist event organisers to identify and bid for large-scale conventions and exhibitions;
- (b) to work in partnership with the Hong Kong Trade Development Council and the Government's Economic and Trade Offices overseas to step up efforts to promote Hong Kong as an ideal destination for conventions and exhibitions and drive attendance for MICE events hosted in Hong Kong; and
- (c) to cross-sell tourism products so as to enhance the travel experience of event participants.

In light of the above, the provision for 2008-2009 under Programme (6) is \$30 m (57.1%) higher than the revised estimate for 2007-08.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)      Subhead (No. & title):

Programme:                    (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What visitor-friendly initiatives do the Commerce and Economic Development Bureau intend to introduce in 2008-09?

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

In 2008-09, the Commerce and Economic Development Bureau (CEDB) will further promote visitor-friendly initiatives, including continued deliberations with the Security Bureau, Immigration Department (ImmD) and other departments concerned on how to make the entry arrangements and immigration facilities more visitor-friendly.

To facilitate cross-boundary people movement and passenger clearance, the Government has implemented a number of initiatives such as granting visa-free access to Hong Kong for travellers from about 170 countries and territories, opening new control points, improving facilities in existing control points, increasing manpower at control points and allocating resources flexibly during peak periods to cope with passenger traffic, simplifying immigration clearance procedures and establishing the visitor-friendly Automated Passenger Clearance System (e-Channels). Moreover, the ImmD plans to launch a pilot scheme to extend the "e-Channels" service to certain frequent visitors to Hong Kong at the Hong Kong International Airport control point in the second quarter of 2008 to enable them to enjoy a faster and more efficient service. The CEDB and relevant organizations will provide full support in promoting this scheme in 2008-09.

We will co-ordinate with the tourism industry and liaise with the relevant Mainland authorities on such visitor-friendly initiatives. We will also keep abreast of development of other emerging source markets with a view to putting forward further improvement proposals to meet visitors' needs.

Signature	_____
Name in block letters	<u>MISS YVONNE CHOI</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)</u>
Date	<u>25.3.2008</u>

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the initiatives taken by the Commerce and Economic Development Bureau to promote the MICE (Meetings, Incentive Travels, Conventions and Exhibitions)? What are the co-operation programmes between the Bureau and the Tourism Board in fostering the development of MICE business in Hong Kong?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

The Financial Secretary has earmarked \$150 m in "The 2008-09 Budget" to enhance the promotion of MICE (Meetings, Incentive Travels, Conventions and Exhibitions) in the next five years. The Government has invited the Hong Kong Tourism Board (HKTB) to take forward this Budget initiative and earmarked \$30 m in 2008-09 under Programme (6) for this purpose. The HKTB plans to step up its global publicity to raise Hong Kong's MICE profile and provide one-stop professional support for prestigious MICE events to be hosted in Hong Kong. Specific tasks include –

- (a) to provide one-stop support for MICE event organisers, assist event organisers to identify and bid for large-scale conventions and exhibitions;
- (b) to work in partnership with the Hong Kong Trade Development Council and the Government's Economic and Trade Offices overseas to step up efforts to promote Hong Kong as an ideal destination for conventions and exhibitions and drive attendance for MICE events hosted in Hong Kong; and
- (c) to cross-sell tourism products so as to enhance the travel experience of event participants.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**MISS YVONNE CHOI**

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat : Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What is the Commerce and Economic Development Bureau's plan for pressing ahead the development of Honest and Quality Tourism in 2008-09?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

The Government is committed to promoting "Honest and Quality Tourism" with the travel trade and relevant organisations. On the one hand, we step up law enforcement, propose legislative amendments to tighten up controls as well as strengthen industry regulation in Hong Kong. On the other hand, we promote consumer education and quality tourism products in the Mainland. These measures help to encourage smart consumption, enhance service quality and strengthen the protection of consumer rights. Meanwhile, we will continue to cooperate and communicate with relevant Mainland tourism authorities to promote "Honest and Quality Tourism".

In 2008-09, key measures in promotion of "Honest and Quality Tourism" are as follows –

- (a) on law enforcement, the Police and the Customs and Excise Department will continue to conduct inspections at the shops designated for shopping activities by Mainland group tours and step up enforcement against illegal trade practices. On legislation, the Administration has introduced the Trade Descriptions (Amendment) Bill to the Legislative Council to enhance consumer protection, with a view to securing enactment of the Bill by the Legislative Council by the end of its current term in July 2008;
- (b) on industry regulation, the Travel Industry Council of Hong Kong (TIC) will continue to take rigorous enforcement actions against breaches of TIC's codes by travel agencies, tour guides and shops. It will also strengthen cooperation with relevant Mainland tourism authorities in trade regulation by sharing market information to combat market malpractices. In parallel, the Travel Agents Registry will tighten its surveillance of the financial position and daily operation of travel agents;

- (c) on publicity and promotion, the Consumer Council (CC) has set up a website “Shop Smart in Hong Kong” to provide Mainland visitors with shopping tips in Hong Kong, and to help them make choices of appropriate tourism and consumption products. In 2008-09, CC will continue to update its website to offer the latest shopping information in Hong Kong to the Mainland visitors ;
- (d) on promotion of quality tourism products, the Hong Kong Tourism Board (HKTB) has set up designated counters for “Honest and Quality Hong Kong Tours” (H&Q tours) in 10 Mainland cities (namely, Beijing, Shanghai, Shenzhen, Guangzhou, Nanjing, Hangzhou, Shenyang, Dalian, Harbin and Wenzhou). In 2008-09, HKTB will promote H&Q tours to more Mainland cities, such as Changchun, Haikou and Nanning, etc; and
- (e) the Tourism Commission will continue to work closely with the China National Tourism Administration and relevant Mainland tourism authorities, with a view to introducing appropriate measures at source to combat trade malpractices in both the Mainland and Hong Kong.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat : Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What is the Commerce and Economic Development Bureau's policy on the regulation of inbound and outbound travel agents in 2008-09? How much financial resources will be required?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

The Government's policy on the regulation of inbound and outbound travel agents is to uphold the standard of inbound and outbound travel agents, so as to protect Hong Kong's reputation as a preferred travel destination and to protect consumer's interests for outbound travelers. Under the provisions of the Travel Agents Ordinance (Cap 218), the Travel Agents Registry issues licence to inbound and outbound travel agents and carries out relevant surveillance work, including monitoring the operation and financial position of the licensed travel agents. On the other hand, the Travel Industry Council of Hong Kong is responsible for regulating the day-to-day operation of the travel trade, including establishing codes of conduct and directives. The Tourism Commission will continue to liaise closely with relevant Mainland authorities including the China National Tourism Administration, the Guangdong Provincial Tourism Administration and the Shenzhen Tourism Bureau to enhance trade regulation in the Mainland and Hong Kong to protect the interests of Mainland inbound visitors.

The estimated expenditure for the regulation of travel agents has been included in the overall provisions under Head 152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) Programme (6) Travel and Tourism. In 2008-09, the estimated expenditure for Programme (6), excluding the amount of \$30 million earmarked to the Hong Kong Tourism Board to promote MICE (Meetings, Incentive travels, Conventions and Exhibitions), is \$52.5 million. As the officers concerned also handle other tasks concurrently, it is difficult to quantify separately the resources required for the regulation of inbound and outbound travel agents.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the ranks and work areas of the six posts to be created in 2008-09? What is the expenditure involved? What main tourism projects will the post-holders be responsible for in the Tourism Commission? Will their work overlap with that of the Hong Kong Tourism Board?

Asked by : Hon. WONG Ting-kwong

Reply :

The Tourism Commission plans to create 6 civil service posts to replace progressively the existing non-civil-service contract posts to cope with the long-term manpower requirement for tourism development work. There is no increase in the total number of staff arising from the creation of these posts, which include 2 Senior Executive Officers and 4 Executive Officers I. Their main duties are to assist in the implementation of tourism projects, coordinating with relevant parties to facilitate the staging of tourism events in Hong Kong, and enhancing the service quality of the tourism industry. The total expenditure involved is \$3.4 m.

The Tourism Commission is responsible for formulating policies on tourism development; coordinating with other government departments; maintaining liaison with the Mainland and international tourism authorities at a governmental level; coordinating and implementing tourism projects; and facilitating tourism promotion. The Tourism Commission and the Hong Kong Tourism Board perform distinctive and complementary roles.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (3) Subvention : Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Will the Hong Kong Trade Development Council work in partnership with some Mainland provinces and cities to conduct overseas publicity campaigns to promote the trade and economic activities in Hong Kong and the Mainland? If yes, what are the details and objectives of the relevant work? If no, what are the reasons?

Asked by : Hon. WONG Ting-kwong

Reply :

In recent years, the Hong Kong Trade Development Council (HKTDC) has been partnering with Mainland cities in the Pearl River Delta region and the Guangdong Province etc. to promote in overseas markets the combined advantages of Hong Kong and these cities as a global trading platform. These joint promotion activities focused on specific industries such as the technology sector. For example, HKTDC conducted joint technology roadshows with the Shenzhen Municipal Government in India and Ireland in September 2007, and with the Guangdong Provincial Government in Demark in November 2007. The roadshows aimed at promoting the role of Hong Kong as a gateway for overseas technology companies to enter the Mainland market and the combined advantages of Hong Kong and Guangdong, particularly Hong Kong's co-operation with Shenzhen, in the area of technology development.

HKTDC will continue to conduct joint overseas campaigns with Mainland cities to promote our combined advantages in the areas of trade and economic development.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : Head 152 - Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In 2008-09, what measures will be taken by the Administration to assist the trade to adjust to changes in Mainland's policy on processing trade? What plans will be made in respect of industrial restructuring and upgrading, relocating operations and developing new markets? How will the Administration strengthen communication and co-operation with the Mainland authorities?

Asked by : Hon. WONG Ting-kwong

Reply :

The Commerce and Economic Development Bureau will continue to maintain close liaison with the trade and Mainland authorities at various levels in 2008-09. This include:

- reflecting the trade's views and making recommendations to the Mainland authorities especially before the promulgation of new policies and legislation wherever such is possible;
- through the Task Force to Support the Processing Trade, exploring with the trade measures to cope with the relevant adjustments;
- cooperating with the Guangdong Province, through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade, to assist Hong Kong enterprises to restructure and/or upgrade;
- organising symposiums and seminars to enhance the understanding of the trade on new policies and legislation;
- organising trade delegations to visit the central and western regions of the Mainland with a view to encouraging Hong Kong enterprises to relocate their operations and to explore new markets;
- through the "SME Funding Schemes", assisting SMEs to acquire equipment to upgrade their operational and technical skills, and to restructure or relocate. Hong Kong enterprises may also apply for the "Innovation and Technology Fund" to improve their

technological level, and to introduce more innovative concepts to their businesses;

- through industry support bodies such as the Hong Kong Trade Development Council and the Hong Kong Productivity Council, assisting Hong Kong enterprises to upgrade their technical level, restructure into foreign-invested enterprises, and develop new markets, etc.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

During 2008-09, the Administration will continue to oversee efforts to promote respect for intellectual property protection in the business sector, particularly amongst small and medium enterprises. What are the specific measures in this regard? What is the expenditure involved? Will specific indicators be set for the measures for 2008-09? If so, what are the details?

Asked by : Hon. WONG Ting-kwong

Reply :

The Administration will continue to roll out various publicity and public education programmes to promote respect for intellectual property amongst members of the community (particularly the business sector and the small and medium enterprises). To maximise the impact of these activities, we will continue to cooperate with major stakeholders and chambers of commerce to publicise the business end-user criminal liability as well as the related directors/partners' liability through direct mailing/ mailing/seminars etc. Moreover, we will continue to launch a free Software Asset Management (SAM) Consultancy Programme to help the business community, in particular the small and medium enterprises, better manage their software assets and ensure compliance with new provisions in the Copyright (Amendment) Ordinance 2007 ("the Amendment Ordinance"). In addition, we will publish relevant guidelines to enhance their understanding of new provisions in the Amendment Ordinance.

Apart from using existing resources to conduct relevant publicity and public education programmes, we have set aside \$4.3 million in 2008-09 for the Intellectual Property Department (IPD) to continue with the SAM Consultancy Programme and the public education programmes relating to the Amendment Ordinance. IPD has set relevant performance indicators relating to the promotion of intellectual property rights, and we would discuss with stakeholders from time to time with a view to enhancing our efforts in this regard.

Signature	_____
Name in block letters	MISS YVONNE CHOI
	Permanent Secretary for Commerce and Economic Development
Post Title	(Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide the detailed plan on how the Bureau will seek to outline ways which enhance the leadership position of the HKTDC trade shows. How much provision will be allocated?

Asked by : Hon. YOUNG Howard

Reply :

The Hong Kong Trade Development Council (HKTDC) will launch the following initiatives in 2008-09 to enhance its leadership position in the exhibition industry –

- (a) expand the scale of existing fairs through launching new product zones;
- (b) identify potential sectors for developing new themes for exhibitions;
- (c) capitalise on the rapidly growing Asian market through incorporating Asian elements into existing fairs to attract more buyers and exhibitors from different regions in Asia;
- (d) facilitate the development of its trade fairs (which are mainly sourcing platforms in nature) to become the region's premium marketing platforms;
- (e) develop lifestyle related fairs targeting the Asian market during non-peak seasons, for example, the Hong Kong International Wine Expo to be held in August 2008; and
- (f) upgrade its online sourcing platform which, together with its traditional trade fairs, will provide year-round sourcing services helping buyers to identify suppliers.

HKTDC estimates that the costs incurred for organising trade fairs in 2008-09, including the initiatives referred to in (a) to (f) above, when compared to 2007-08, will increase by \$16 million.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152-Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What is the estimated funding and resources allocation for the additional survey projects on goods and services popular among Mainland tourists? When and where the survey projects will be conducted?

Asked by : Hon. YOUNG Howard

Reply :

The estimated funding for product tests and surveys on goods and services popular among Mainland tourists is around \$1.38M in 2008- 09. The surveys will be carried out at different times of the year and will be conducted mainly in Hong Kong.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**MISS YVONNE CHOI**

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

**(Commerce, Industry and Tourism)**

Date \_\_\_\_\_

25.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat:                      Subhead (No. & title) :  
Commerce and Economic  
Development Bureau  
(Commerce, Industry and Tourism  
Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide details on the implementation framework of and resource allocation to a pilot scheme for establishing an effective marketing platform to enhance the development and promotion of cultural tourism, joining force with major arts groups and the tourism sectors.

Asked by : Hon. YOUNG Howard

Reply :

The Tourism Commission, in collaboration with major performing arts groups and the tourism sector, established a working group in October 2007 to devise and implement a pilot scheme to promote cultural tourism in Hong Kong. The objectives of the pilot scheme are to –

- (a) provide a platform to facilitate the communication between performing arts groups and the tourism sector on promotion of our cultural and arts offerings to visitors;
- (b) upgrade Hong Kong Tourism Board's website for more effective promotion of upcoming event highlights to the travel trade partners and overseas visitors; and
- (c) enhance the user-friendliness of the existing online ticketing system for internet booking by travel trade partners and individual overseas visitors to join arts and cultural activities in Hong Kong.

The working group initially comprises major Government-subsidized performing arts groups, the tourism industry stakeholders (such as hotels, travel trade and tourist guides), the Hong Kong Tourism Board, the Home Affairs Bureau and the Leisure and Cultural Services Department.

The pilot scheme is a new initiative aiming to leverage our arts and cultural products to enrich visitors' nightlife and travel experience. The Hong Kong Tourism Board targets to renew its website for better promotion of these products by mid-2008. We will continue to join hands with the participating performing arts groups and tourism sector representatives to seek improvement to the marketing platform. Subject to market feedback, we look forward to expanding the scheme to include other interested performing arts groups and travel trade partners.

The pilot scheme will be implemented with existing resources. No additional expenses will be incurred.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please give the details of the basis and resource allocation to improve and augment marketing efforts in the MCIE segment to promote Hong Kong as the regional hub of MICE events and a preferred international MICE destination?

Asked by : Hon. YOUNG Howard

Reply :

The Financial Secretary has earmarked \$150 m in "The 2008-09 Budget" to enhance the promotion of MICE (Meetings, Incentive Travels, Conventions and Exhibitions) in the next five years. The Government has invited the Hong Kong Tourism Board (HKTB) to take forward this Budget initiative and earmarked \$30 m in 2008-09 under Programme (6) for this purpose. The HKTB plans to step up its global publicity efforts to raise Hong Kong's MICE profile and provide one-stop professional support for prestigious MICE events to be hosted in Hong Kong. Specific tasks include –

- (a) to provide one-stop support for MICE event organisers, assist event organisers to identify and bid for large-scale conventions and exhibitions;
- (b) to work in partnership with the Hong Kong Trade Development Council and the Government's Economic and Trade Offices overseas to step up efforts to promote Hong Kong as an ideal destination for conventions and exhibitions and drive attendance for MICE events hosted in Hong Kong; and
- (c) to cross-sell tourism products so as to enhance the travel experience of event participants.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 152 Government Secretariat: Subhead (No. & title) :  
Commerce and Economic  
Development Bureau (Commerce,  
Industry and Tourism Branch

Programme : (7) Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In 2008-09, the Board will launch mega events with new format to enhance visitors' experience in Hong Kong. What are the mega events, the estimated expenditure and its target set by the Board?

Asked by : Hon. YOUNG Howard

Reply :

The Hong Kong Tourism Board (HKTB) is currently conducting a comprehensive review of its mega event strategy. It plans to complete the review within this year.

In 2008-09, the HKTB plans to organise mega events in three key tourism promotion periods, namely, the summer, Christmas and the New Year, and the Chinese New Year. In summer, the HKTB will repackage the shopping festival by riding on the Olympic ambience and Hong Kong's strengths in shopping and dining. During Christmas and the New Year, the HKTB will use the promotion platform developed in 2007 and organise Christmas and the New Year's Eve countdown activities. As for the Chinese New Year, the HKTB will leverage the festivities to organise a mega event. The expenditure for staging these three mega events in Hong Kong and associated promotion activities overseas is estimated at \$78.26 million.

The HKTB will continue to seek more commercial sponsorship for these mega events. For example, it secured new sponsors for the New Year's Eve countdown in 2007 and the International Chinese New Year Parade in 2008.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 96 Government Secretariat : Subhead (No. & title) :  
Overseas Economic and Trade Offices

Programme :

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

When, according to the Government's plan, will the Overseas Economic and Trade Office in Berlin be set up? What will be the amount of resources put in? What will be the rankings of the officers stationed there? How will the Office promote and capitalize on the new business and trade opportunities following the expansion of the European Union?

Asked by : Hon. CHAN FANG On-sang, Anson

Reply :

We are discussing with the German Government the detailed arrangements on the establishment of the Overseas Economic and Trade Office (ETO) in Berlin. In 2008-09, 32 million has been reserved for the setting up cost and operating expenses of the Berlin ETO.

The head of the Berlin ETO is pitched at Administrative Officer Staff Grade C (AOSGC) (D2) rank. We have already redeployed the Deputy Director-General post of the London ETO which was pitched at AOSGC rank to head the Berlin ETO, hence there is no need to create additional directorate post. On the other hand, the Berlin ETO will be supported by 3 non-directorate officers, including one Senior Administrative Officer, one Trade Officer and one Executive Officer I. 11 local staff will be recruited to assist in commercial relations, public relations, investment promotion and office administration/support functions.

The new ETO which will be set up in Berlin will, together with the existing Brussels ETO and London ETO, actively promote Hong Kong's trade and commercial interests in some 30 European countries (including the enlarged EU), promote Hong Kong as a premier location for doing business, and encourage and attract investments to Hong Kong. The Brussels ETO represents Hong Kong's economic and trade interests in dealings with the EU, European Commission and European Parliament. It also monitors and promotes bilateral relations with 17 countries. The London ETO mainly promotes Hong Kong's economic and trade interests in the United Kingdom and 8 other countries in Europe. As for the new Berlin ETO, it will be responsible for promoting economic and trade relations in 8 European countries, namely Germany, Austria, Czech Republic, Hungary, Poland, Slovak Republic, Slovenia and Switzerland.

Since April 2007, a designated team has started operating in Brussels to prepare for the setting up of the Berlin ETO. It has also commenced networking with 6 of the 8 countries under the purview of the new ETO and promoting Hong Kong's trade and investment interests through organising business seminars, public relations functions, exhibitions, media briefings, and arranging visits by Hong Kong senior government officials.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 96 Government Secretariat: Subhead (No. & title) : -  
Overseas Economic and Trade Offices

Programme : (1) Commercial Relations  
(2) Public Relations  
(3) Investment Promotion

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the studies (including in-house studies or those entrusted to consultants) conducted by the Bureau for the purposes of formulating and assessing policies, please provide the relevant information in the following format:

- 1) For the projects that have reserved funds for conducting consultancy studies in 2007-08, please provide information in the following format:

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning/in progress/completed)	The follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?

- 2) Is there any project that will reserve funds for conducting consultancy study in 2008-09? If yes, please provide the following information:

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning/in progress/completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If no, what are the reasons?

Asked by : Hon. EU Yuet-mee, Audrey

Reply :

The overseas Economic and Trade Offices (ETOs) have not conducted any in-house studies or engaged any consultants for the purpose of formulating and assessing policies. ETOs have only used the services of local consultancy firms for publicity/public relations activities and/or trade related matters.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	20.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 96 Government Secretariat: Overseas Economic and Trade Offices  
Subhead (No. & title) : -

Programme : (1) Commercial Relations

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the financial provision for commercial relations, the actual expenditure for 2006-07 was about \$104 million whereas the original estimate for 2007-08 increased substantially to about \$142 million. However, only about \$127 million was spent eventually as shown in the revised estimate, representing a discrepancy of around 10.6%. Please advise this Committee of:

- 1) the reason for the discrepancy of around 10% between the estimated and the actual expenditure, and details of the use of the provision.
- 2) the reason why the 2007-08 estimate remains the basis for formulating the 2008-09 estimate in spite of the inaccuracy shown in the 2007-08 estimate, the justification for increasing the estimate and details of the use of the increased estimate.

Asked by : Hon. KWONG Chi-kin

Reply :

- 1) The 2007-08 original estimate is higher than the 2006-07 actual expenditure mainly due to the setting up cost and operating expenses for the new Economic and Trade Office (ETO) to be set up in Berlin in 2007-08, increased provisions for meeting unfavourable exchange rates and for organizing promotion activities in celebration of the 10<sup>th</sup> Anniversary of the Establishment of the Hong Kong Special Administration Region. However, the new ETO in Berlin has not been set up in 2007-08, so we have to adjust the figures downwards in the revised estimates.
- 2) The 2008-09 estimate is higher than the 2007-08 revised estimate mainly due to the need to provide setting up cost and operating expense for the new ETO in Berlin, and to increase provisions for meeting extra costs arising from rising exchange rates of foreign currencies.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**MISS YVONNE CHOI**

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 96 Government Secretariat: Subhead (No. & title) : -  
Overseas Economic and Trade Offices

Programme : (2)Public Relations

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Government will set up a new Economic and Trade Office in Berlin to co-ordinate the publicity and public relations efforts for Hong Kong in the host city. However, the number of calls on senior government officials/organisations in 2008 is estimated to decrease rather than increase, registering a fall of 118 calls as compared with the actual figure of 2007. What is the reason for it?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

As with the other existing Overseas Economic and Trade Offices (ETOs), the new ETO to be set up in Berlin will co-ordinate the publicity and public relations efforts for Hong Kong in their host cities. In 2007, all ETOs called on senior government officials/organisation more frequently because of the intensified promotion activities organised for the celebration of the 10th Anniversary of the Establishment of Hong Kong Special Administrative Region in 2007. It is expected that the activity level will resume normal in 2008. This explains why the 2008 estimate on the number of calls on senior government officials/organisations will decrease as compared with the actual figure of 2007.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**MISS YVONNE CHOI**

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 96 Government Secretariat: Subhead (No. & title) : -  
Overseas Economic and Trade Offices

Programme : (2) Public Relations

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Administration stated that the overseas Economic and Trade Offices (ETOs) will continue to sustain and step up publicity and public relations efforts in 2008-09. However, the performance indicators of all items in 2008, such as the number of public relations events, are estimated to be lower than the actual figures of 2007. What are the reasons for it? How can the publicity and public relations efforts be stepped up?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

Under Programme (2), the 2008 estimate for the indicators concerned is lower than the 2007 actual mainly due to the fact that ETOs had organised intensified promotion activities in celebration of the 10th Anniversary of the Establishment of Hong Kong Special Administrative Region in 2007. It is expected that the activity level will resume normal in 2008. In 2008-09, the ETOs will continue their publicity and public relations efforts in North America, Europe, Australia, Japan and the Association of Southeast Asian Nations countries. They will organise various publicity and public relations activities for Hong Kong in host countries/regions and provide a comprehensive information and enquiry service about Hong Kong. Specific work will include a seminar in Canada to promote the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), publicity activities to be launched in the US, the UK and Canada etc. to promote the Olympic Equestrian events in Hong Kong, and enhance marketing efforts to attract more MICE (Meetings, Incentive Travels, Conventions and Exhibitions) events to Hong Kong. In addition, ETOs will also continue to call on local senior government officials, councilors and organisations, organise and participate in public relation functions/events, issue newsletters, pamphlets, press releases, arrange media interviews/briefings and deliver public speeches.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 96 Government Secretariat:  
Overseas Economic and Trade Offices

Subhead (No. & title) : 661 Minor plant,  
vehicles and  
equipment  
(block vote)

Programme : -

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Administration will set aside a provision of \$2.4 million to purchase office cars for various Economic and Trade Offices (ETOs). How many cars will be purchased? What is the share of Berlin ETO? Why is it necessary to purchase cars for other ETOs such as Tokyo ETO and Sydney ETO?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

Provision under this Subhead are for the purchase of three office cars, i.e. a replacement office car each for the Tokyo and Sydney ETOs and a new one for the Berlin ETO. The existing office cars of Tokyo ETO and Sydney ETO are over 10 years old. There is a need to replace them due to deteriorating performance and high maintenance cost.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 96 Government Secretariat: Subhead (No. & title) : -  
Overseas Economic and Trade Offices

Programme : (1) Commercial Relations

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The estimate number of meetings on trade-related matters attended in 2008 is 248 lower than the actual number in 2007, representing a substantial decrease. What are the reasons for that? Should the Administration step up the promotion of external trade?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The estimated number of meetings on trade-related matters is less than the actual numbers in 2007. This is mainly because the World Trade Organization (WTO) is expected to arrange fewer regular meetings in 2008 as WTO members will likely focus their attention on negotiations related to the Doha Development Agenda. In addition, as 2008 is the year of the US presidential election, it is anticipated that the local government officials will be pre-occupied with election matters and participate less in trade related meetings.

2. In 2008-09, the overseas ETOs will continue to promote Hong Kong's trade and commercial interests, including countering protectionism in Hong Kong's major markets, as well as representing Hong Kong and providing support to the Trade and Industry Department in bilateral and multilateral trade negotiations.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title \_\_\_\_\_

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 96 Government Secretariat: Subhead (No. & title) : -  
Overseas Economic and Trade Offices

Programme : (2) Public Relations

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

How will the overseas Economic and Trade Offices (ETO), including the new ETO to be set up in Berlin, make use of the estimate of \$113 million to step up publicity and public relations efforts in North America, Europe, Australia, Japan and the Association of Southeast Asian Nations countries during 2008-09?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

The 2008-09 estimate of \$113 million is the overall operating expenses of the 11 overseas ETOs (including the new ETO to be set up in Berlin) to promote Hong Kong as a reliable trading partner and a premier location for doing business under this Programme. During 2008-09, the ETOs will continue their publicity and public relations efforts in North America, Europe, Australia, Japan and the Association of Southeast Asian Nations countries. They will organise various publicity and public relations activities in the host countries/regions and provide a comprehensive information and enquiry service about Hong Kong. Specific work will include a seminar in Canada to promote the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), publicity activities to be launched in the US, the UK and Canada etc. to promote the Olympic Equestrian events in Hong Kong, and enhance marketing efforts to attract more MICE (Meetings, Incentive Travels, Conventions and Exhibitions) events to Hong Kong. In addition, ETOs will also continue to call on local senior government officials, councilors and organisations, organise and participate in public relation functions/events, issue newsletters, pamphlets, press releases, arrange media interviews/briefings and deliver public speeches.

Signature

Name in block letters

MISS YVONNE CHOI

Post Title

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 96 Government Secretariat:  
Overseas Economic and Trade Offices

Subhead (No. &  
title) :

Programme : (3) Investment Promotion

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Will the Administration explore emerging markets for trade development? If not, why? If so, what are the details.

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

Emerging markets in Russia, India and the Middle East are growing fast and offer business opportunities to Hong Kong entrepreneurs. We have strengthened promotional efforts by organising seminars and exhibitions and other events in these markets to boost awareness of Hong Kong and its products and services. Senior officials have led business delegations to these markets and have met key officials to discuss ways to enhance mutual trade. Specifically, the Secretary for Commerce and Economic Development, the Financial Secretary and the Chief Executive have in recent months led high-level delegations to Russia, India and the Middle East respectively.

Signature

Name in block letters

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title

(Commerce, Industry and Tourism)

Date

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 96 Government Secretariat : Subhead (No. & title) :  
Overseas Economic and Trade Offices

Programme : (2) Public Relations

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In the 2008-09 Budget Speech, it is mentioned that the Government will step up the external promotion of the various talent admission schemes and the arrangements for non-local students to work in Hong Kong. What are the specific plans or programmes in this regard? Where will the promotional activities be held? What are the respective funding requirements?

Asked by : Hon. WONG Ting-kwong

Reply :

With regard to the overseas promotion work of the various talent admission schemes and the arrangements for non-local students to work in Hong Kong, the overseas Economic and Trade Offices (ETOs) have been actively promoting the talent admission schemes among their interlocutors in the ETOs' activities, such as media sessions and speaking engagements. In addition, publicity leaflets on the schemes are displayed/distributed in their offices and in suitable events. Information on the schemes has also been published in the ETOs' newsletters and/or websites. Some ETOs will also organise career talks and career video conferences in universities to attract talents to Hong Kong.

In 2008-09, the overseas ETOs will closely liaise with concerned Government departments with regard to the various talent admission schemes and the arrangements for non-local students to work in Hong Kong. They will continue to promote relevant information and latest updates through activities organised by the overseas offices and other suitable events. The required expenditure will be met by the existing resources of ETOs and no extra funding is required.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

MISS YVONNE CHOI

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

20.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 96 Government Secretariat: Subhead (No. & title) : -  
Overseas Economic and Trade Offices

Programme : (2) Public Relations

Controlling Officer : Permanent Secretary for Commerce and Economic Development  
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The provision for 2008-09 will be increased by 15.2% for setting up the new office in Berlin. Why is it that the estimates for various work indicators for 2008-09, including the number of projects organized, events participated as well as enquiries handled, are less than the 2007-08 figures? Please give an account of how the additional resources will be used.

Asked by : Hon. WONG Ting-kwong

Reply :

The 2008 revised estimate for the performance indicators under Programme (2) are lower than the 2007 actual figures. This is mainly because the Overseas Economic and Trade Offices (ETOs) have organised numerous promotion activities in celebration of the 10th Anniversary of the Establishment of Hong Kong Special Administrative Region in 2007. It is expected that the activity level will be resumed to normal in 2008.

2. The increased provisions for 2008-09 are mainly for the setting up cost and operating expenses for the new Berlin ETO and for meeting extra costs arising from rising exchange rates of foreign currencies.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**MISS YVONNE CHOI**

Post Title \_\_\_\_\_

Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 26 Census and Statistics Department

Subhead (No. & title):

Programme: (1) Trade Statistics

Controlling Officer: Commissioner for Census and Statistics

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (a) What are the number and the percentage of import/export declarations and cargo manifests submitted via electronic means among the total number of submissions? Is the trend on the rise?
- (b) The Census and Statistics Department (C&SD) would enhance the processing and checking of import/export declarations and cargo manifests in 2008-09. But the planned target for 2008 remains the same as the actual one for 2007; please advise in what ways can the enhancements be achieved?

Asked by: Hon. WONG Ting-kwong

Reply:

- (a) In 2007, about 19.76 million (or 100%) import/export declarations and 3.87 million (or 41%) cargo manifests were submitted via electronic means to the Government. The numbers and the corresponding percentages are expected to remain at roughly the same level in 2008.
- (b) The C&SD will strengthen the checking process by subjecting import/export declarations and electronic cargo manifests to better matching. This will allow the C&SD to enhance its verification on the accuracy of the information provided in the import/export declarations which forms the main basis for compiling trade statistics. Whilst the enhancement will help improve the quality of the trade statistics compiled, it will not affect the number of the documents processed. Hence, the performance targets for 2008 remain the same as those for 2007.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

FUNG Hing-wang

Post Title \_\_\_\_\_

Commissioner for Census and Statistics

Date \_\_\_\_\_

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 26 Census and Statistics Department      Subhead (No. & title):

Programme: (1) Trade Statistics

Controlling Officer: Commissioner for Census and Statistics

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Census and Statistics Department will conduct supplementary surveys to track the latest development in the trade structure of Hong Kong and enhance the processing and checking of import/export declarations and cargo manifests in 2008-09. Will additional staffing be needed to serve this purpose? If so, what is the expenditure to be incurred? Is this related to the increased salary provision for staff changes? If not, what do the staff changes refer to?

Asked by: Hon. WONG Ting-kwong

Reply:

The manpower resources required for conducting the supplementary surveys to track the latest development in the trade structure of Hong Kong and for enhancing the processing and checking of import/export declarations and cargo manifests in 2008-09 will be provided through internal redeployment of existing staff and employment of short-term contract staff. No additional permanent posts will be required.

Of the increased provision of \$29.9 million for 2008-09 as compared with the revised estimate for 2007-08, \$22.9 million is to cover the operating expenses (including the cost of engaging short-term contract staff) for implementing the above initiatives. The remaining \$7 million is not relevant to the above initiatives, and represents the increased salary provision mainly for filling 17 existing vacancies.

Signature \_\_\_\_\_

Name in block letters FUNG Hing-wang

Post Title Commissioner for Census and Statistics

Date 19.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 31 Customs and Excise Department      Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The actual numbers of cases under intellectual property rights investigations in 2006 and 2007 are 10 725 and 10 578 respectively. However, it is not possible for the authorities to estimate the number of cases for 2008. May I ask:

- 1) How many cases among those under investigations in 2006 and 2007 were reported by the public and how many cases in which the authorities took the initiative to conduct investigations? How much manpower and resource were allocated for follow-up actions on those investigations?
- 2) Why is it not possible to estimate the number of cases for 2008? Are there any broad guidelines to determine whether it is necessary for the authorities to initiate investigation?

Asked by: Hon. KWONG Chi-kin

Reply:

- 1) In 2006, the Department investigated 10 725 cases of suspected intellectual property rights (IPR) infringement, including 6 585 cases that were based on reports (or intelligence) provided by the public or the IPR owners, 270 referrals from other law enforcement agencies, and 3 870 cases that were self-initiated. The corresponding figures for 2007 are 10 578 cases, broken down as follows: 5 915 reports, 234 referrals and 4 429 self-initiated cases respectively. Investigation and enforcement are carried out by the Intellectual Property Investigation Bureau and the Special Task Force of the Department. The staff establishment of the two formations is 236 and 147 respectively. The annual salary provision for the two teams amounts to \$103.23 million.
- 2) Similar to other criminal activities, it is not possible to estimate in advance the number of IPR infringement cases that may occur in 2008 or for that matter in any year. A number of factors could affect IPR crime trends, including changes in IPR related legislation, public awareness of IPR, and advances in technology. The Department follows up all reports and intelligence received. The decision as to whether a particular case should be further pursued hinges on the evidence available and the results of the said follow-up work.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**RICHARD M F YUEN**

Post Title \_\_\_\_\_

Commissioner of Customs and Excise

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 31 Customs and Excise Department

Subhead (No. & title):

m

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Intellectual property rights investigations are still focused on physical objects (such as optical discs, textiles, footwear and telecommunications equipment). However, in recent years the problem relating to intellectual property rights on the Internet is getting worse. May I ask:

- 1) How much manpower and resources did the authority devote to following up cases relating to intellectual property rights infringement on the Internet in 2007-08? What was the effect?
- 2) In the Matters Requiring Special Attention in 2008-09, it is mentioned that internet piracy and other computer crime problems relating to infringement of intellectual property rights will be tackled. What are the details? What is the estimated expenditure?

Asked by: Hon. KWONG Chi-kin

Reply:

- 1) The Customs and Excise Department has established two Anti-Internet Piracy Teams (AIPTs) to combat piracy and counterfeiting activities on the Internet, each comprising one Senior Inspector, one Chief Customs Officer and five Customs Officers. In 2007, 27 cases related to intellectual property rights infringement on the Internet were detected by the AIPTs, leading to the arrest of 32 persons. The expenditure in 2007-08, in terms of salary provision for the two teams, is \$3.81 million.
- 2) In 2008-09, the two AIPTs will continue to monitor piracy and counterfeiting activities on the Internet and initiate investigation and prosecution against the offenders. We will focus on the sale of infringing items through online auction sites and the distribution of infringing copies on the Internet. The estimated expenditure in 2008-09, in terms of salary provision for the two teams, is \$3.81 million.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**RICHARD M F YUEN**

Post Title \_\_\_\_\_

**Commissioner of Customs and Excise**

Date \_\_\_\_\_

**20.3.2008**

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 31 Customs and Excise Department      Subhead (No. & title):

m

Programme:            (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Customs and Excise Department will develop a Road Cargo System to enable shippers to submit electronic advance cargo information for enhancing the operational efficiency of cargo clearance for road cargoes and facilitating cross-boundary cargo movement in 2008-09. What will be the expenditure involved?

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

The Finance Committee of the Legislative Council has approved a new commitment of \$177,839,000 over a period of four years from 2007-08 to 2010-11 for implementing the Road Cargo System. Of this new commitment, we estimate that an amount of \$49,334,000 will be spent in 2008-09 on hardware and software, system design and development, and start-up consumables. Separately, an amount of \$9,064,000 will be absorbed by the Customs and Excise Department within its existing resources in 2008-09 to cover the staff and accommodation costs required for an inhouse team to manage and monitor the process of system development. Hence, the total expenditure involved in 2008-09 is estimated to be \$58,398,000.

Signature \_\_\_\_\_

Name in block letters      RICHARD M F YUEN

Post Title      Commissioner of Customs and Excise

Date      19.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 31 Customs and Excise Department

Subhead (No. & title):

m

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The number of seizure cases in toys and children's products safety in 2007 was 23 cases less than that in 2006 while the value of seizures was \$89,100 more than that in 2006. What are the reasons?

Asked by: Hon. NG Margaret

Reply:

In 2006, among the 26 concluded investigation cases, 15 involved seizure of 25 unsafe bunk beds with a value of \$47,450, while the remaining cases involved toys of low value. In 2007, there was 1 case involving seizure of 5 124 sets of unsafe face paints with a value of \$142,200. The other two cases involved toys of low value.

Signature \_\_\_\_\_

Name in block letters RICHARD M F YUEN

Post Title Commissioner of Customs and Excise

Date 19.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 31 Customs and Excise Department

Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The number of seizure cases in consumer goods safety in 2007 was 8 cases more than that in 2006 while the value of seizures was \$205,100 less than that in 2006. What are the reasons?

Asked by: Hon. NG Margaret

Reply:

In 2006, there was only 1 concluded case involving seizure of unsafe consumer goods. In that case, 54 bottles (50 ml each) of breast augmentation material known as Hydrophilic Polyacrylamide Gel (PAAG) with a value of \$243,000 were seized in a beauty salon.

In 2007, in all the 9 concluded cases involving seizure, the seized goods were unsafe facial cream and heat pads with a relatively low value of about \$38,000.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ RICHARD M F YUEN

Post Title \_\_\_\_\_ Commissioner of Customs and Excise

Date \_\_\_\_\_ 19.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 31 Customs and Excise Department

Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The provisions in respect of anti-circumvention under the Copyright (Amendment) Ordinance 2007 will come into force this year. What are the estimates of the Customs and Excise Department for the expenditure and manpower involved in implementing the provisions? What are the specific action plans for the implementation?

Asked by: Hon. NG Margaret

Reply:

The Customs and Excise Department (C&ED) will assume enforcement responsibility for offences relating to circumvention of technological measures applied to copyright works or performances when the relevant provisions come into operation this year. The additional work will be absorbed from within the existing resources allocated to the Department for Intellectual Property Rights (IPR) protection. Currently, the Department has an establishment of 236 officers in the Intellectual Property Investigation Bureau and 147 officers in the Special Task Force being responsible for IPR enforcement and related activities. The total annual salary provision for the two formations is \$103.23 million.

The C&ED plans to establish close liaison with the industry and copyright owners to gather intelligence, mount regular surveillance of the known black spots, and step up enforcement action against illegal circumvention activities once the new provision comes into effect.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**RICHARD M F YUEN**

Post Title \_\_\_\_\_

Commissioner of Customs and Excise

Date \_\_\_\_\_

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 31 Customs and Excise Department      Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (a) Since the CCTV programme in April 2007 reporting on Hong Kong's unscrupulous shops ripping off customers, the Customs and Excise Department has indicated that it would conduct more spot checks on such shops. What are the numbers of spot checks conducted and of prosecutions leading to successful convictions of the unscrupulous shops in 2007-08? How do the numbers compare with those of 2005-06 and 2006-07?
- (b) What additional resources were allocated for increasing the number of spot checks in 2007?  
What are the plans for spot checks and deployment of resources in 2008-09?

Asked by: Hon. WONG Ting-kwong

Reply:

The Department did not keep statistics on spot checks at tourist shops before April 2007. Between April 2007 and February 2008, the Department conducted 389 spot checks at 138 tourist shops.

In 2007-08, three companies and 12 persons were prosecuted and convicted for selling jewellery and souvenir articles bearing forged trade marks or false trade descriptions. In 2006-07, one company and one person were prosecuted and convicted for selling jewellery articles bearing forged trade marks. There was no prosecution of similar nature in 2005-06.

In 2007-08, the Department has re-deployed 30 officers to carry out spot checks and investigations of unscrupulous shops. In 2008-09, the Department plans to deploy about 80 officers to mount large scale spot checks and under-cover investigation if necessary.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**RICHARD M F YUEN**

Post Title \_\_\_\_\_

Commissioner of Customs and Excise

Date \_\_\_\_\_

19.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 31 Customs and Excise Department

Subhead (No. & title): m

Programme: (5) Trade Controls

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is estimated that the numbers of factory inspections and checks at entry and exit points in 2008-09 will drop substantially in comparison with those in 2007-08. What are the reasons? Please explain how the resources allocated are to be utilized.

Asked by: Hon. WONG Ting-kwong

Reply:

In 2007, the United States (US) and European Union (EU) continued to impose safeguard quota on textile imports from the Mainland. To prevent traders from illegally transshipping their Mainland textile products via Hong Kong to bypass the US and EU quota systems, the Customs and Excise Department had to conduct more factory inspections and examinations of suspicious consignments at the control points. In January 2008, the EU lifted the safeguard quota restrictions on 10 categories of Mainland products. Consequently, the need to conduct such regular checks has reduced and the numbers of target factory inspections and consignment examinations at the control points have been revised downward.

The number of factory and consignment inspections and examinations in 2007 was achieved through flexible temporary redeployment of internal resources to cope with the then operational needs. The resources allocated in 2008-09 will be utilized to cope with the planned target of inspections and examinations. The resources previously re-deployed to these areas (hence the more inspections and examinations conducted in 2007-08) will be transferred back to their original work areas and units.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

RICHARD M F YUEN

Post Title \_\_\_\_\_

Commissioner of Customs and Excise

Date \_\_\_\_\_

19.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 31 Customs and Excise Department      Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Is it necessary to further increase the provision of human resources after the implementation of the Road Cargo System?

Asked by: Hon. WONG Ting-kwong

Reply:

We plan to roll out the Road Cargo System in the third quarter of 2009. When the System is fully implemented in 2011-12 after the transitional period, we expect manpower savings as fewer officers from the Customs and Excise Department will need to be stationed at the land boundary control points.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**RICHARD M F YUEN**

Post Title \_\_\_\_\_

**Commissioner of Customs and Excise**

Date \_\_\_\_\_

**19.3.2008**

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 31 Customs and Excise Department      Subhead (No. & title): 000 Operational Expenses

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

A new Copyright Ordinance will soon be implemented by stages in 2008-09. In what ways will the authorities step up their efforts on the fronts of law enforcement, investigations as well as publicity and education? What will be the expenditures involved? The estimated expenditure under this Programme represents a 1.8% increase to \$237.1 million when compared with the revised estimate for 2007-08. What will be the major areas of work to be covered by the estimated expenditure?

Asked by: Hon. WONG Ting-kwong

Reply:

Certain provisions (notably the new liabilities) under the Copyright (Amendment) Ordinance 2007 will be implemented by stages in 2008-09. The Customs and Excise Department will deploy its existing resources flexibly to enforce the provisions and step up its enforcement efforts by developing rigorous enforcement strategies and launching more intelligence-based operations. Moreover, we will work closely with the Intellectual Property Department and the copyright owners to launch relevant publicity and public education activities to enhance public awareness and understanding of the new criminal liabilities under the Ordinance.

The estimated expenditure is to be used for maintaining the Department's rigorous enforcement efforts against piracy and counterfeiting activities, as well as enforcing the consumer protection legislation in 2008-09. The 1.8% increase in financial provision is mainly due to increase in salary provision and operational expenses.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**RICHARD M F YUEN**

Post Title \_\_\_\_\_

**Commissioner of Customs and Excise**

Date \_\_\_\_\_

**20.3.2008**

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 31 Customs and Excise Department      Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2008-09, the Customs and Excise Department will strengthen action against piracy and counterfeiting activities by developing more vigorous enforcement strategies and launching more intelligence-based operations. Please provide the specific details.

Asked by: Hon. WONG Ting-kwong

Reply:

In 2008-09, the Customs and Excise Department will continue its rigorous enforcement actions to clamp down on piracy and counterfeiting activities. The enforcement strategies which have proved to be effective over the years include focused and repeated raids at known black spots; proactive interception of infringing goods at the boundary by using risk-profiling techniques; development of intelligence on the supply and distribution of infringing goods; close cooperation with the rights owners and other local, Mainland and overseas law enforcement agencies; intensive enforcement action to track down syndicates; and the application of the Organized and Serious Crimes Ordinance to confiscate crime proceeds from syndicated piracy and counterfeiting activities. Enforcement action on all the above fronts will continue in the coming year.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**RICHARD M F YUEN**

Post Title \_\_\_\_\_

Commissioner of Customs and Excise

Date \_\_\_\_\_

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 31 Customs and Excise Department

Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2008-09, what are the concrete plans and resources for sustaining the co-operative alliance with the industries and agencies in detecting retail sale of infringing goods to safeguard Hong Kong as a shopping paradise for genuine brand products?

Asked by: Hon. YOUNG Howard

Reply:

The Customs and Excise Department has established close partnership with owners of intellectual property rights in the fight against piracy and counterfeiting activities. Co-operation includes regular exchange of intelligence and information on the illicit trade, tracing and identification of pirated and counterfeit goods in the market, and sharing of up-to-date product knowledge and market trend to facilitate enforcement action.

These co-operative and joint actions have led to quick identification of retail outlets of infringing goods, paving the way for swift enforcement action to clamp down on the illegal activities. Those enforcement activities have helped safeguard and enhance the reputation of Hong Kong as the shopping paradise for genuine goods. To strengthen this co-operative alliance, the Department will continue to carry out a number of Customs-Industry co-operative schemes in 2008-09 which include the "Intellectual Property Rights Protection Alliance", the "E-Auctioning with Integrity Scheme", the "Jewellery Integrity Campaign", the "Fast Action Scheme" and the "Youth Ambassador Against Internet Piracy Scheme". The expenses for these projects are absorbed from within the existing resources of the Department.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

**RICHARD M F YUEN**

Post Title \_\_\_\_\_

**Commissioner of Customs and Excise**

Date \_\_\_\_\_

**20.3.2008**

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 33 Civil Engineering and Development Department      Subhead  
(No. & title) :

Programme : (1) Tourism and Recreational Development

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Civil Engineering and Development Department will complete the design of the proposed landing facility for the Lei Yue Mun waterfront enhancement project in 2008-09. What are the details and the work plan of the project? How much is the estimated expenditure and manpower involved?

Asked by : Hon. CHAN Kam-lam

Reply :

The proposed public landing facilities comprise a piled-deck structure with landing steps for berthing. The Department will complete the detailed design of the proposed public landing facilities in March 2009, and we expect to commence the works by end 2009 at an estimated cost of \$65 million. The manpower involved in the detailed design and project management is two professional staff and two technical staff, and the total staff cost, in terms of notional annual mid-point salary value, is around \$1.5 million.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ **JOHN S V CHAI**

Post Title \_\_\_\_\_ **Director of Civil Engineering and Development**

Date \_\_\_\_\_ **26.3.2008**



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 33 Civil Engineering and Development Department      Subhead  
(No. & title) :

Programme : (1) Tourism and Recreational Development

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The actual expenditure for works under construction in 2007 is \$287.3 million which is less than the estimated expenditure of \$324.7 million by \$37.4 million, or 11.5%. Please advise the reason for the substantial reduction in expenditure.

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

The decrease in expenditure in 2007 is mainly due to the reduction in the quantities of soil used for pre-loading the area reclaimed under the Penny's Bay Reclamation Stage 2 project. Taking account of the better than expected settlement performance in the area already formed, we have reduced the quantities of soil used for pre-loading the remaining area. As a result, the expenditure on the reclamation works carried out in 2007 was lower than the original estimate.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ JOHN S V CHAI

Post Title \_\_\_\_\_ Director of Civil Engineering and Development

Date \_\_\_\_\_ 25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 33 Civil Engineering and Development Department      Subhead  
(No. & title) :

Programme : (1) Tourism and Recreational Development

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The 2008 estimated expenditure on works under construction is \$66 million, which is \$221.3 million less than the 2007 actual expenditure of \$287.3 million, representing a reduction of 77%. Please give reasons for the great reduction.

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

The reduction in expenditure is mainly due to the progressive completion of projects under construction. In particular, the construction works for the Penny's Bay Reclamation Stage 2 project were substantially completed in February 2008.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ JOHN S V CHAI

Post Title \_\_\_\_\_ Director of Civil Engineering and Development

Date \_\_\_\_\_ 18.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 78 – Intellectual Property Department      Subhead (No. & title) : 000 Operational expenses

Programme :

Controlling Officer : Director of Intellectual Property

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The establishment as at 31 March 2008 will be 89 permanent posts. It is expected that 23 posts will be created in 2008-09 to meet the Department's operational needs. What is the reason for the increase? What are their pay scales? What are their posts and scopes of duties? What is the expenditure involved?

Asked by : Hon. CHAN Bernard

Reply :

The creation of the 23 civil service posts (22 posts under programme (1) and 1 post under programme (2)) is to replace Non-Civil Service Contract (NCSC) positions. The requirement for these positions is long-term in nature and it would be more appropriate for them to be taken up by civil servants. As the creation of civil service posts will be offset by the same number of NCSC positions, there is in fact no expansion in the overall headcount of the Department.

The estimated salary provision for 23 posts, based on Notional Annual Mid-point Salary value, is \$6.93 million. Of these 23 posts, 18 will be created in the Registries responsible for the examination of trademark, patent and design applications or for the provision of corresponding support. They are:

- 1 Senior Executive Officer (MPS Pt.34-44)
- 14 Intellectual Property Examiners II (MPS Pt.16-27)
- 3 Assistant Clerical Officers (MPS Pt.3-15)

The remaining 5 posts will be created in the Administration Unit for the provision of support to the Department at large. They include:

- 1 Executive Officer II (MPS Pt.17-27)
- 3 Assistant Clerical Officers (MPS Pt.3-15)
- 1 Clerical Assistant (MPS Pt.1-10)

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Stephen SELBY

Post Title \_\_\_\_\_

Director of Intellectual Property

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 78 Intellectual Property  
Department

Subhead (No. & title):

Programme:

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the studies (including in-house studies or those entrusted to consultants) conducted by the Bureau for the purposes of policy formulation and assessment, please provide the relevant information in the following format:

- (1) For the consultancy studies that have funds earmarked in 2007-08, please provide information in the following format:

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning / in progress / completed)	The follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?

- (2) Is there any project that will reserve funds for conducting consultancy study in 2008-09? If yes, please provide the following information:

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning / in progress / completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If yes, through which channels? If no, what are the reasons?

Asked by: Hon. EU Yuet-mee, Audrey

Reply:

- (1) The Intellectual Property Department has not commissioned any consultant in 2007-08 to carry out studies in connection with policy formulation and assessment.
- (2) The Department does not have any plan to commission such consultancy study in 2008-09.

Signature \_\_\_\_\_

Name in block letters Stephen SELBY

Post Title Director of Intellectual Property

Date 25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 78 Intellectual Property Department      Subhead (No. & title):

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding Statutory Functions, the actual financial provision for 2006-07 was about \$61 million, while the revised figure for 2007-08 was \$63 million with a difference of 2.8% only. However, there is a significant increase by 12.4% to about \$70 million in the 2008-09 estimates. What are the criteria for the increase and what are its expenditure details?

Asked by: Hon. KWONG Chi-kin

Reply:

The 12.4% (i.e. \$7.8 million) increase under programme (1) Statutory Functions in the 2008-09 estimates over the 2007-08 revised estimates of the Intellectual Property Department is mainly for filling existing vacancies and the creation of 22 new civil service posts. The Department has quite a number of vacancies in 2007-08, thus making the full year expenditure lower than expected. Recruitment work is now at an advanced stage and new appointees will gradually report for duty. The expenditure in this aspect will therefore increase in the coming year.

As for the new posts, the creation of the 22 civil service permanent posts is to replace Non-Civil Service Contract (NCSC) positions. The requirement for these positions is long-term in nature and it would be more appropriate for them to be taken up by civil servants. As the creation of civil service posts will be offset by the deletion of the same number of NCSC positions, there is in fact no expansion in the overall headcount of the Department.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ Stephen SELBY

Post Title \_\_\_\_\_ Director of Intellectual Property

Date \_\_\_\_\_ 25.3.2008

Examination of Estimates of Expenditure 2008-09  
**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**CEDB(CIT)143**

Question Serial No.

0553

Head: 78 Intellectual Property  
Department

Subhead (No. & title):

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

There would be an increase of \$900,000 (4.3%) for the 2008-09 Estimates when compared with the Revised Estimates for 2007-08. It is pointed out in the document that this is owing to the increased demand for cash flow for 1 non-recurrent item and the creation of 1 post. What is the work of that non-recurrent item? What are the details of the usage of the increased estimates?

Asked by: Hon. KWONG Chi-kin

Reply:

Provision for 2008-09 is \$0.9 million (4.3%) higher than the revised estimate for 2007-08. This is mainly due to increased cash flow requirement for a non-recurrent item. The non-recurrent item will be used for the exploration of feasibility, advantages and disadvantages of "Implementation of an international registration system under Madrid Protocol" in Hong Kong. The approved commitment for the item is \$1.824 million.

As for the creation of 1 Clerical Assistant post, it is to replace 1 Non-Civil Service Contract (NCSC) Clerk. The Clerical Assistant is to provide administrative support to the Department. As the creation of the civil service post will be offset by deletion of one NCSC position, there is in fact no expansion in the overall headcount of the Department.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Stephen SELBY

Post Title \_\_\_\_\_

Director of Intellectual Property

Date \_\_\_\_\_

26.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 78 Intellectual Property Department                      Subhead (No. & title) :

Programme : (1) Statutory Functions

Controlling Officer : Director of Intellectual Property

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the target of processing standard patent applications within 10 days, the actual attainment percentage stood at 97% and 90% in 2006 and 2007 respectively. Why is the planned target for 2008 set at 80%?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

We have carefully considered the workload and productivity of the Registry before setting the performance target for the coming year. In recent years, the number of patent applications has remained at a high level and the cumulative number of patents granted is also on the rise. As a result, renewal and assignment cases are expected to increase in the coming year and this will imply heavier workload for the Registry. As regards productivity, the Registry is facing changes in personnel. Although the recruitment exercise, started in the second half of 2007, is expected to complete by April 2008, new recruits can only work at their full capacity after several months' training. Having considered the above factors, we have set a more pragmatic target for 2008. We hope that the target could be raised in the next review.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Stephen SELBY

Post Title \_\_\_\_\_

Director of Intellectual Property

Date \_\_\_\_\_

25.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 78 Intellectual Property Department      Subhead (No. & title): 000 Operational expenses

Programme:

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the reasons for the creation of 23 new non-directorate posts in 2008-09? What are their respective duties? What are the expenses incurred?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

The creation of the 23 civil service permanent posts (including 22 posts under programme (1) and 1 post under programme (2)) proposed by the Intellectual Property Department next year is to replace Non-Civil Service Contract (NCSC) positions. The requirement for these positions is long-term in nature and it would be more appropriate for them to be taken up by civil servants. As the creation of civil service posts will be offset by the deletion of the same number of NCSC positions, there is in fact no expansion in the overall headcount of the Department.

Of these 23 new posts, 18 will be created in the Registries responsible for the examination of trademark, patent and design applications and for the provision of corresponding support. The remaining 5 posts will be created in the Administration Unit for the provision of support to the Department at large. The estimated salary provision for the 23 new posts, based on Notional Annual Mid-point Salary value, is \$6.93 million.

Signature	_____
Name in block letters	Stephen SELBY
Post Title	Director of Intellectual Property
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 78 Intellectual Property Department

Subhead (No. & title):

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to the performance target of “providing second response for trademark applications within three months”, the actual figures are 85% and 89% in 2006 and 2007 respectively. Why is the planned target still set at 75% for 2008 without corresponding upward adjustment?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

Recent years have seen a growing number of trademark applications. As a result, the number of cases under the category of “providing second response for trademark applications within three months” has increased and that implies heavier workload for the Registries. Since cases under the category of “providing second response for trademark applications within three months” are generally more complicated, they require experienced staff to handle. Moreover, due to staff changes, we anticipate that the existing staff will have to spare time to assist in training new recruits. This will inevitably affect their productivity. In view of the above, we have set a more pragmatic target for 2008. We hope the target could be raised in the next review.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Stephen SELBY

Post Title \_\_\_\_\_

Director of Intellectual Property

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 78 Intellectual Property Department      Subhead (No. & title):

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this programme, various 2008-09 planned targets and estimated performance indicators for trademarks, patents, designs and even the copyright licensing bodies are similar to the actual figures for 2007. Yet the Administration requests to create 22 new posts. Please provide the reasons in detail and the expenditure involved.

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

The proposed creation of the 22 civil service permanent posts under programme (1) next year is to replace Non-Civil Service Contract (NCSC) positions. The requirement for these positions is long-term in nature and it would be more appropriate for them to be taken up by civil servants. As the creation of civil service posts will be offset by the deletion of the same number of NCSC positions, there is in fact no expansion in the overall headcount of the Department. The estimated salary provision for the 22 posts, based on Notional Annual Mid-point Salary value, is \$6.79 million.

Signature \_\_\_\_\_

Name in block letters      Stephen SELBY

Post Title      Director of Intellectual Property

Date      25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 78 Intellectual Property Department

Subhead (No. & title):

m

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the financial provision of \$21.8 million in the 2008-09 Estimates, the Administration is requested to indicate the amount of provision for:

1. promoting intellectual property services provided by Hong Kong professionals, facilitating the understanding of intellectual property laws and systems in the Pearl River Delta (PRD) by enterprises operating in this region, and helping Hong Kong small and medium enterprises (SMEs) build their capacity for intellectual asset management; and
2. strengthening co-operation with Guangdong Province and the Pan-PRD region so as to assist Hong Kong SMEs operating in the Mainland in protecting their intellectual property assets.

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

In 2008-09, the Intellectual Property Department (IPD) has earmarked around \$1.5 million to promote the protection of intellectual property (IP) rights in the business sector.

We promote IP services provided by Hong Kong professionals through events co-organised with the Mainland authorities. In the many symposia for businesses in the Pan-PRD region organized in collaboration with the local authorities, Hong Kong legal professionals are invited to join as speakers, and showcase the services provided by Hong Kong IP professionals. In addition, a forum will be co-organised with the Guangdong Provincial Intellectual Property Office in May 2008 in Shenzhen to facilitate exchange between professionals of Guangdong and Hong Kong.

One key focus of IPD's promotional efforts is to help the business sector (especially the SMEs) learn more about and build up their capacity for intellectual asset management. To help enterprises identify their own needs and utilize the knowledge and expertise that they possess but which still remains to be exploited effectively, IPD will continue to promote the concept of intellectual asset management through events such as seminars and forums. Moreover, a range of activities will be organised in collaboration with the Mainland IP authorities (especially those in Guangdong and the Pan-PRD region) for the SMEs operating in the Mainland, to foster their understanding about local IP laws and systems, thus enabling them to protect their own intellectual assets more effectively.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Stephen SELBY

Post Title \_\_\_\_\_

Director of Intellectual Property

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 78 Intellectual Property Department      Subhead (No. & title):

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the promotion of e-filing by the Intellectual Property Department to increase the migration rate to 60% for trademark applications, 40% for patent applications and 45% for design applications:

- (1) what is the expenditure on the promotion work; and
- (2) what is the amount of savings to be achieved by the Department if applications are filed electronically by the public?

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

- (1) The Intellectual Property Department has all along been using its existing resources to promote e-filing. No additional resources are involved.
- (2) The process of launching the e-filing services was completed in May 2006. This has helped streamline the work process of the Department, thereby improving service efficiency. The Registries are able to cope with the increasing number of applications for registration. Furthermore, the Department managed to redeploy, from the Registries, a small number of staff to take on new tasks such as liaison and cooperation with the Mainland authorities on intellectual property matters. We could not quantify the savings so arising.

Signature	_____
Name in block letters	Stephen SELBY
Post Title	Director of Intellectual Property
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 78 Intellectual Property Department      Subhead (No. & title) : 000 Operational expenses

Programme :

Controlling Officer : Director of Intellectual Property

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Paragraph 2 advises that the 9.4% increase over the revised estimate for 2007-08 is mainly due to the increased salary provision for filling existing vacancies and the creation of 23 new posts, partly offset by reduced expenditure in general departmental expenses. However, the Department has seen a steady rise in e-filing for trademark, patent and design applications, and expects the percentage to rise further in the future. Has electronic filing created efficiencies and allowed redeployment of personnel to other duties? Does the Department have a target for moving to 100% electronic filing?

Asked by : Hon. LI Kwok-po, David

Reply :

The creation of the 23 civil service posts (22 posts under programme (1) and 1 post under programme (2)) is to replace Non-Civil Service Contract (NCSC) positions. The requirement for these positions is long-term in nature and it would be more appropriate for them to be taken up by civil servants. As the creation of civil service posts will be offset by the same number of NCSC positions, there is in fact no expansion in the overall headcount of the Department.

Since the launch of electronic filing (e-filing), the intellectual property rights registration procedures of the Department have been streamlined, thereby improving our service efficiency. In this connection, the Registries managed to deploy a small number of staff to take on new tasks (e.g. liaison with the Mainland authorities on intellectual property matters) notwithstanding a steady growth in the number of registration applications in the past few years. We note the benefits of e-filing and would endeavour to encourage our clients to migrate to e-filing. However, paper filing may still be the preferred option for some small businesses particularly those who could not afford the cost of setting up the related IT system.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Stephen SELBY

Post Title \_\_\_\_\_

Director of Intellectual Property

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 78 Intellectual Property Department

Subhead (No. & title):

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this programme, there will be a substantial increase of 22 new posts. Please provide information about the ranks, work nature and the specific needs for the creation of these posts.

Asked by: Hon. TAM Heung-man

Reply:

The proposed creation of the 22 civil service permanent posts under programme (1) next year is to replace Non-Civil Service Contract (NCSC) positions. The requirement for these positions is long-term in nature and it would be more appropriate for them to be taken up by civil servants. As the creation of civil service posts will be offset by the deletion of the same number of NCSC positions, there is in fact no expansion in the overall headcount of the Department.

These 22 new posts include 1 Senior Executive Officer, 14 Intellectual Property Examiners II and 3 Assistant Clerical Officers to be created in the Registries for the examination of trademark, patent and design applications and for the provision of corresponding support, as well as 1 Executive Officer II and 3 Assistant Clerical Officers to be created in the Administration Unit for the provision of support to the Department at large.

Signature

Name in block letters

Post Title

Date

\_\_\_\_\_  
Stephen SELBY

\_\_\_\_\_  
Director of Intellectual Property

\_\_\_\_\_  
25.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 78 Intellectual Property Department

Subhead (No. & title):

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under programme (1) Statutory Functions, it is mentioned that the Department will promote e-filing in 2008-09. Savings in manpower is expected but there is an increase of 12.4% in the financial provision over the 2007-08 revised estimates. What are the reasons for the increase? Why 22 posts have to be created?

Asked by: Hon. TIEN Pei-chun, James

Reply:

The 12.4% (i.e. \$7.8 million) increase under programme (1) Statutory Functions in 2008-09 in the estimates of the Intellectual Property Department is mainly for filling existing vacancies and the creation of 22 new civil service posts. The Department has quite a number of vacancies in 2007-08, thus making the full year expenditure lower than expected. Recruitment work is now at an advanced stage and new appointees will gradually report for duty. The expenditure in this aspect will therefore increase in the coming year.

As for the new posts, the creation of the 22 civil service permanent posts is to replace Non-Civil Service Contract (NCSC) positions. The requirement for these positions is long-term in nature and it would be more appropriate for them to be taken up by civil servants. As the creation of civil service posts will be offset by the deletion of the same number of NCSC positions, there is in fact no expansion in the overall headcount of the Department.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Stephen SELBY

Post Title \_\_\_\_\_

Director of Intellectual Property

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 78 Intellectual Property Department

Subhead (No. & title):

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What is the amount of resources earmarked by the Intellectual Property Department in 2008-09 for enhancing the small and medium enterprises' awareness and protection of intellectual property rights?

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

The Intellectual Property Department maintains close liaison with the business sector (including small and medium enterprises, business associations and intellectual property intermediaries) and promotes their awareness of the protection of intellectual property rights by organising various publicity activities and providing information on the intellectual property legislation and systems in the Mainland and Hong Kong. In 2008-09, the Department has earmarked about \$1.5 million to promote the protection of intellectual property rights in the business sector, including the organisation of a series of joint promotional functions, such as conferences and seminars, with major business associations.

Furthermore, the Department will be allocated an additional funding of \$4.3 million in 2008-09 by the Commerce and Economic Development Bureau for the continual implementation of the "Software Asset Management Consultancy Programme" and other public education activities in connection with the Copyright (Amendment) Ordinance 2007. The "Software Asset Management Consultancy Programme" aims to assist the business sector, especially small and medium enterprises, to better manage their software assets and guard against business end-user piracy.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Stephen SELBY

Post Title \_\_\_\_\_

Director of Intellectual Property

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 78 Intellectual Property Department      Subhead (No. & title):

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the service targets for registration of trademarks under the Trade Marks Ordinance (Cap 559), the targets set for all applications have been achieved or even over-achieved. Will the Administration consider developing more stringent indicators to increase efficiency?

Asked by: Hon. WONG Ting-kwong

Reply:

Regarding the three service targets for trademark applications under the Trade Marks Ordinance (Cap 559), we have already raised the planned target of “delivering hearing decisions on trademarks within six months” from 80% in 2007 to 90% in 2008. We have carefully studied the feasibility of raising the other two targets, i.e. “providing first response for trademark applications within two months” and “providing second response for trademark applications within three months”. Having considered factors including workload and productivity, we find it necessary to maintain the 2008 targets at current levels for the following reasons:

Recent years have seen a growing number of trademark applications. As a result, the number of cases under the category of “providing first response for trademark applications within two months” has increased and that implies heavier workload for the Registries. Regarding the manpower situation, there are still vacancies in the examiner grade. Although the recruitment exercise launched in the latter part of 2007 is expected to complete by April 2008, the new recruits need to be trained for several months before they can work at their full capacity. It is therefore difficult to raise the target at this moment.

Similarly, the number of cases under the category of “providing second response for trademark applications within three months” has increased with the rise in trademark applications. As these cases are generally more complicated, they require experienced staff to handle. Due to staff changes, the existing staff need to spare time to help train new recruits, which will inevitably affect their productivity.

In view of the above, we have set more pragmatic targets for 2008. We hope the service targets in question could be raised in the next review.

Signature

Name in block letters

Post Title

Date

Stephen SELBY

Director of Intellectual Property

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 78 Intellectual Property Department

Subhead (No. & title):

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Administration conduct a detailed study on the level of understanding of the local business community on the intellectual property systems in the Mainland and Hong Kong, and launch promotion and educational programme regarding the issue of intellectual property rights? What the Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights has achieved in this area of work and what are its specific proposals and schedule for 2008-09?

Asked by: Hon. WONG Ting-kwong

Reply:

The Intellectual Property Department (IPD) maintains close contact with local industrial and business sectors to gauge their needs for intellectual property rights (IPR) protection when doing business in Hong Kong and in the Mainland. To help Hong Kong enterprises better understand issues relating to IPR protection in the two places, the Department organises different kinds of promotional activities and provides information on IPR legislation and systems of the two places at its website.

Since the establishment of the Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights (the Expert Group) in 2003, the two sides have completed a number of projects to foster closer cooperation in IPR protection. These projects included organizing the Guangdong/Hong Kong Seminar on "Intellectual Property and Development of Small and Medium Enterprises", conducting talks on trademark as well as distributing promotional leaflets on IPR in various Guangdong cities. A "Mainland Enterprises Corner" was also added to IPD's website. Furthermore, an "Intellectual Property Database for Guangdong, Hong Kong and Macao" was established by the intellectual property authorities of the three places to provide IPR-related information.

Guangdong and Hong Kong will continue to work together in promoting IPR protection. Several joint projects have already been rolled out or planned. These include the "Guangdong/Hong Kong Seminar on Intellectual Property and Development of Small and Medium Enterprises" which is staged in Shantou city in March this year, an "Intellectual Capital Management Seminar" to be held in Hong Kong and Guangzhou respectively in April and May, and a regional symposium on brand-building to be held in Jiangmen in November. The Intellectual Property Office of Guangdong and IPD will be adding a "Guangdong/Hong Kong Intellectual Property Protection Cooperation Corner" to their websites for releasing

information on their latest joint initiatives. The Expert Group is planning to hold its seventh meeting in mid-2008 to discuss cooperation projects in the future.

Signature	_____
Name in block letters	Stephen SELBY
Post Title	Director of Intellectual Property
Date	25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 78 Intellectual Property Department Subhead (No. & title):

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2008-09, 22 new posts will be created with additional provision of \$7.8 million. In this connection, please provide details as to their ranks and job content.

Asked by: Hon. WONG Ting-kwong

Reply:

The 12.4% (i.e. \$7.8 million) increase under programme (1) Statutory Functions in 2008-09 in the estimates of the Intellectual Property Department is mainly for filling existing vacancies and the creation of 22 new civil service posts. The Department has quite a number of vacancies in 2007-08, thus making the full year expenditure lower than expected. Recruitment work is now at an advanced stage and new appointees will gradually report for duty. The expenditure in this aspect will therefore increase in the coming year.

As for the new posts, the creation of the 22 civil service permanent posts is to replace Non-Civil Service Contract (NCSC) positions. The requirement for these positions is long-term in nature and it would be more appropriate for them to be taken up by civil servants. As the creation of civil service posts will be offset by the deletion of the same number of NCSC positions, there is in fact no expansion in the overall headcount of the Department.

These 22 new posts include 1 Senior Executive Officer, 14 Intellectual Property Examiners II and 3 Assistant Clerical Officers to be created in the Registries for the examination of trademark, patent and design applications and for the provision of corresponding support, as well as 1 Executive Officer II and 3 Assistant Clerical Officers to be created in the Administration Unit for the provision of support to the Department at large. The estimated salary provision for the 22 new posts, based on Notional Annual Mid-point Salary value, is \$6.79 million.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Stephen SELBY

Post Title \_\_\_\_\_

Director of Intellectual Property

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head: 78 Intellectual Property Department      Subhead (No. & title):

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Despite increases in provision and posts, the planned work targets of 2008-09 are lower than those of 2007-08. In this connection, will the Administration inform us of the distribution of manpower and resources in 2008-09? What are the differences or changes when compared with 2007-08?

Asked by: Hon. WONG Ting-kwong

Reply:

The 12.4% (i.e. \$7.8 million) increase under programme (1) Statutory Functions in 2008-09 in the estimates of the Intellectual Property Department is mainly for filling existing vacancies and the creation of 22 new civil service posts. The Department has quite a number of vacancies in 2007-08, thus making the full year expenditure lower than expected. Now, recruitment work is at an advanced stage and new appointees will gradually report for duty. The expenditure in this aspect will therefore increase in the coming year.

As for the new posts, the creation of the 22 civil service permanent posts is to replace Non-Civil Service Contract (NCSC) positions. The requirement for these positions is long-term in nature and it would be more appropriate for them to be taken up by civil servants. As the creation of civil service posts will be offset by the deletion of the same number of NCSC positions, there is in fact no expansion in the overall headcount of the Department.

Since it takes time to train new staff, after taking into consideration factors like workload and productivity, we have set more pragmatic targets for 2008. We hope that the target could be raised in the next review.

Signature \_\_\_\_\_

Name in block letters Stephen SELBY

Post Title Director of Intellectual Property

Date 25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 79- InvestHK

Subhead (No. & title) :

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the studies (including in-house studies or those entrusted to consultants) conducted by the Bureau for the purposes of formulating and assessing policies, please provide the relevant information in the following format:

(3) For the projects that have reserved funds for conducting consultancy studies in 2007-08, please provide information in the following format:

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning/ in progress/ completed)	The follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?

(2) Is there any project that will reserve funds for conducting consultancy study in 2008-09? If yes, please provide the following information:

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of studies (under planning/ in progress/ completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If yes, through which channels? If no, what are the reasons?

Asked by : Hon. EU Yuet-mee, Audrey



Reply :

Invest Hong Kong has not conducted any studies, in-house or otherwise, for the purposes of formulating and assessing government policies in 2007-08. Further, there are no resources set aside for such purposes in 2008-09.

Signature	_____
Name in block letters	_____ M J T Rowse _____
Post Title	_____ Director-General of Investment Promotion _____
Date	_____ 20.3.2008 _____

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN 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 and Economic Development

Question :

The estimate for 2008-09 is 1.2 million (1.1%) higher than the revised estimate for 2007-08. According to the Administration, this is mainly due to the increased salary provision for contract staff and the additional provision required for boosting investment promotion work. Could the Administration advise us:

(a) in what ways will the increased provision be used? How much of it will be used for increasing the salary of contract staff? How many contract staff will be involved?

(b) in comparing the salary increase between contract staff and civil servants of the same rank, how great is the disparity? Will the disparity in salary between these two groups of employees be further widened after the increase?

Asked by : Hon. KWONG Chi-kin

Reply :

The provision for 2008-09 is \$1.2 million higher than the revised estimate for 2007-08. About \$1 million of the increased provision will be used to meet the full year requirement for the salary increase of the 56 contract staff engaged by Invest Hong Kong and the remaining \$0.2 million will be used for boosting investment promotion work. The full year provision for meeting the pay rise for our contract staff is about \$2 million. While about \$1 million was required for six months' provision in 2007-08 to implement the pay increase which took effect from October 2007, the full year provision for 2008-09 will require an additional provision of about another \$1 million.

Having regard to a number of considerations, including the condition of the employment market, recruitment results, staff retention needs, the cost of living and the civil service pay adjustment, the rate of pay adjustment for our contract staff in 2007 was the same as that for the civil servants. As such, there is no question of a widened gap between the two groups of employees as a result of the implementation of the pay increase in the Department.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ M J T Rowse

Post Title \_\_\_\_\_ Director-General of Investment Promotion

Date \_\_\_\_\_ 20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN 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 and Economic Development

Question :

How would InvestHK use the provision of \$109.3 million for 2008-09 in undertaking the following tasks? What is the expenditure involved respectively?:

- (1) continue to promote the corporate identity and image of the Department through various public relations opportunities and activities;
- (2) implement various business plans in co-operation with the overseas and the Mainland Economic and Trade Offices and Hong Kong Trade Development Council's offices outside Hong Kong;
- (3) organise activities on investment promotion both internationally, and in the Mainland and Taiwan; and
- (4) organise joint overseas marketing activities with Pearl River Delta cities and increase promotion of CEPA in overseas markets.

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

The four tasks are matters requiring special attention in 2008-09. Invest Hong Kong (InvestHK) has planned to implement various major investment promotion (IP) activities with a view to accomplishing these tasks in 2008-09. Resources are allocated on major activity basis and not by task. For example, IP visits as an activity will contribute to all of the four tasks. In this context, the major IP activities planned for 2008-09 and the respective estimated dedicated resource requirements are summarized as follows -

	Major IP Activities	Resources (\$m)
(a)	IP visits led by head office teams to strategic overseas markets throughout the year. These visits will consist of individual company meetings, speaking engagements, attendance at seminars and tradeshows and media opportunities to promote Hong Kong	4.5
(b)	On-going IP activities to be conducted by overseas IP Units in the Hong Kong Economic and Trade Offices and external representatives in markets not covered by an IP Unit	15.0
(c)	Sponsoring and participating in major international conferences, advertising and general marketing activities throughout the year to strengthen Hong Kong's global exposure and to raise the awareness of Hong Kong among target audiences	7.1
(d)	IP activities targeting the Mainland throughout the year including organising and participating in seminars, road shows and exhibitions, conducting IP visits in the Mainland, organising and receiving incoming delegations from the Mainland, and organising joint overseas promotion activities with Mainland provinces/cities	15.9
(e)	On-going visits to individual foreign companies that have already set up in Hong Kong to provide aftercare service	0.3
	<b>Total</b>	<b>42.8</b>

The balance of \$66.5 million is for staff costs and other general departmental expenses spread across the full range of IP activities.

Signature \_\_\_\_\_

Name in block letters M J T Rowse

Post Title Director-General of Investment Promotion

Date 20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN 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 and Economic Development

Question :

On each of the following “major international and regional events” Invest Hong Kong “hosted and participated in” in 2007, how much did the department spend (including sponsorship)? What was the specified work of Invest Hong Kong in those events?

- a. Forbes Fabulous 50 and Businessman of the Year Award Dinner
- b. Hong Kong Sevens 2007
- c. Asian Aerospace
- d. Cable and Satellite Broadcasting Association of Asia’s annual convention
- e. Pan-Pearl River Delta Economic and Trade Cooperation Fair
- f. Mobility World Congress
- g. Other major events

Asked by : Hon. SIN Chung-kai

Reply :

With a view to raising the awareness and profile of Hong Kong and Invest Hong Kong (InvestHK) on an ongoing basis, InvestHK sponsors or participates in major events worldwide. In 2007, InvestHK sponsored 39 events with a provision of about \$4.7 million. Our role at these events included networking with the participants who are potential investors, generating project leads and creating awareness of the advantages of investing in Hong Kong and the services of InvestHK. A list of the major events sponsored by InvestHK indicating the sponsorship fee, InvestHK’s role and entitlement under the sponsorship deal is attached at Annex.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

M J T Rowse

Post Title \_\_\_\_\_

Director-General of Investment Promotion

Date \_\_\_\_\_

20.3.2008

Events	Expenses	Role of InvestHK
Forbes Fabulous 50 and Businessman of the Year Award Dinner	Sponsorship fee: \$780,000	Invest Hong Kong (InvestHK) was the title sponsor. The sponsorship included the opportunity to network with the winning companies from the Asia Pacific region and create awareness of InvestHK among participants. The package also included 6 pages of advertising in Forbes USA (the 2 July 2007 edition in conjunction with the HKSAR's 10th anniversary) and Asia editions valued at \$2.5 million.
Hong Kong Sevens 2007	Sponsorship fee: \$780,000	InvestHK was an Official Patron and hosted potential and existing foreign investors to our suite and box. The majority of guests were executives from overseas from companies considering establishing or expanding operations in Hong Kong. The package included advertising at the venue, regular playing of the InvestHK commercial on the stadium screen and other branding exposure.
Asian Aerospace	Exhibitor fee: \$33,345 for Air Freight Asia	InvestHK was a supporting organisation and helped persuade Reed Exhibitions to move the event from Singapore to Hong Kong as well as provided assistance on logistical matters. We exhibited at Air Freight Asia, a concurrent event.
Cable and Satellite Broadcasting Association of Asia's (CASBAA) annual convention	Sponsorship fee: \$585,000	InvestHK was the lead sponsor and was featured prominently in all marketing materials and on site exhibits at the event. The event organiser arranged more than 10 meetings with potential investors in InvestHK's priority sectors on media/multimedia and telecoms. The Director-General of Investment Promotion and one of our Associate Director-Generals spoke at the event. InvestHK's support for the CASBAA annual event has been instrumental in keeping it in Hong Kong, despite strong competition from other Asian cities.
The Pan-Pearl River Delta Economic and Trade Cooperation Fair	Sponsorship fee: \$150,000	Invest HK had a joint exhibition booth with the Hong Kong Trade Development Council and several other organisations. Our Assistant Director spoke at one of the seminars.
The Mobility World Congress	Sponsorship fee: \$156,000	InvestHK was the VIP Room sponsor. We had an exhibition booth and participated in the conference and workshop. Both Director-General of Investment Promotion and our Associate Director-General responsible for the telecoms sector spoke at the event.

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN 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 and Economic Development

Question :

When did Invest Hong Kong set up the following external representation and what were their respective expenditure for the past three years?

External Representation	Year of establishment	Expenditure			Under the overseas and the Mainland Economic and Trade Offices or Hong Kong Trade Development Council's offices outside Hong Kong
		05/06	06/07	07/08	
New York					
San Francisco					
Chicago					
Toronto					
Brussels					
Paris					
Hamburg					
Milan					
London					
Gothenburg					
Tokyo					
Osaka					
Singapore					
Seoul					
Mumbai					
Dubai					
Istanbul					
Tel Aviv					
Sydney					
Melbourne					
Auckland					
Guangzhou					
Beijing/HK					
Chengdu					
Shanghai					
Taipei					

Asked by : Hon. SIN Chung-kai

Reply :

The external representation of Invest Hong Kong (InvestHK) falls into two main categories, namely, the Investment Promotion Units (IPUs) established in the Hong Kong Economic and Trade Offices (ETO) and the Beijing Office, and consultants engaged by InvestHK by contract for services in locations where there is no IPU. The table below shows our external representation and the information requested -

External Representation	Year of establishment	Expenditure (\$ million)			Under the overseas and the Mainland Economic and Trade Offices/ Beijing Office or Hong Kong Trade Development Council's offices <sup>△</sup> outside Hong Kong
		05-06	06-07	07-08 <sup>^</sup>	
New York	1985	1.1	0.8	1.1	ETO
San Francisco	1982	0.7	0.8	0.8	ETO
Chicago	2005	1.0	0.8	1.1	Consultant
Toronto <sup>#</sup>	1992	0.9	1.1	1.5	ETO
Brussels*	1982	1.0	1.2	0.8	ETO
Paris	2005	0.5	0.5	0.6	Consultant
Hamburg	2005	0.5	0.6	0.6	Consultant
Milan	2005	0.6	0.6	0.6	Consultant
London	1982	0.9	0.8	0.6	ETO
Gothenburg	2005	0.6	0.6	0.6	Consultant
Tokyo	1982	0.2	0.2	0.3	ETO
Osaka	2005	0.6	0.8	0.7	Consultant
Singapore	2005	0.6	0.4	0.5	Consultant
Seoul	2005	0.5	0.5	0.6	Consultant
Mumbai	2005	0.4	0.4	0.5	Consultant
Dubai	2004	0.3	0.3	0.3	Consultant
Istanbul	2006	---	0.3	0.2	Consultant
Tel Aviv	2004	0.4	0.5	0.5	Consultant
Sydney	1995	0.7	0.8	0.9	ETO
Melbourne	2005	0.4	0.5	0.5	Consultant
Auckland	2005	0.1	0.1	0.2	Consultant
Guangzhou	2002	0.2	0.5	0.6	ETO
Beijing/HK	2006	---	0.4 <sup>@</sup>	0.6	ETO/ InvestHK
Chengdu	2006	---	0.002 <sup>@</sup>	0.6	ETO
Shanghai	2006	---	0.1 <sup>@</sup>	0.6	ETO
Taipei	2006	---	0.4	0.6	Consultant

<sup>^</sup> 07-08 expenditure is projected only.

<sup>△</sup> InvestHK has no external representation established under the Hong Kong Trade Development Council's offices.

<sup>#</sup> With a break (April 2003 to February 2005) when IP work was covered by a consultant.

\* An IPU established in Stuttgart, Germany in 1982 was relocated to Brussels in 1987.

<sup>@</sup> In 2006-07, the first year of the establishment of these new IPUs, most of the IP expenditure was absorbed by the Constitutional and Mainland Affairs Bureau



Signature

Name in block letters

M J T Rowse

Post Title

Director-General of Investment Promotion

Date

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN 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 and Economic Development

Question :

What are the planned activities of Invest Hong Kong for 2008-09? Which among them are new items and what are the expenses involved?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

In 2008-09, the major investment promotion (IP) activities will include on-going efforts in major target markets e.g. the US, Western Europe and Japan and intensified IP efforts in the Mainland, in India and in Latin America; meetings with foreign, Mainland and Taiwan companies and visits to strategic overseas markets; visits to and interviews to provide aftercare service to companies that have already set up in Hong Kong to provide aftercare service; sponsoring and/or speaking at events to reach out to potential investors to raise awareness of Hong Kong; advertising and general marketing activities to strengthen Hong Kong's global exposure.

In 2008-09, Invest Hong Kong (InvestHK) will continue with investment promotion efforts to attract Mainland enterprises to establish a presence or expand operations in Hong Kong by conducting a series of seminars and workshops, and advertising and public relation campaigns. In June 2007, InvestHK announced in Beijing that it would stage a three-year nationwide marketing campaign targeting privately-owned enterprises in the seven<sup>1</sup> most economically advanced provinces. The campaign will involve three phases, which will include: high-level seminars officiated by senior government officials from the Mainland and Hong Kong; working level seminars to be held in key cities; and visits by delegations of entrepreneurs to Hong Kong. These activities should help equip prospective Mainland investors with the information and tools needed to use Hong Kong as a springboard to expand globally. Furthermore, to promote the combined advantages offered by the economic integration of Hong Kong and the Mainland, InvestHK has been conducting joint seminars with Mainland authorities, especially Greater Pearl River Delta (PRD) and Pan PRD cities and provinces, in major overseas markets. In 2008, InvestHK will continue to work closely with Mainland authorities and overseas offices to showcase the business advantages of Hong Kong. It is planned that 8-9 joint overseas promotion activities will be organised with our partners in the Greater/Pan PRD in 2008.

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1 The seven provinces are Zhejiang, Shandong, Fujian, Sichuan, Jiangsu, Liaoning and Guangdong.

We anticipate that around \$42.8 million will be required to fund IP activities described above and sustain the momentum of the IP work. The balance of \$66.5 million is for staff costs and other general departmental expenses spread across the full range of IP activities.

Signature \_\_\_\_\_  
Name in block letters M J T Rowse  
Post Title Director-General of Investment Promotion  
Date 20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN 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 and Economic Development

Question :

What are the investment promotion activities expected to be held respectively in overseas countries, in the Mainland and in Taiwan in 2008-09? What are the launching schedules, budgets and details of activities? How many investment projects are expected to be generated from each promotion activity and what are the expected benefits?

Asked by : Hon. WONG Ting-kwong

Reply :

In 2008-09, the major investment promotion (IP) activities will include on-going efforts in major target markets e.g. the US, Western Europe and Japan and intensified IP efforts on the Mainland, in India and in Latin America; meetings with foreign, Mainland and Taiwan companies and visits to strategic overseas markets; visits to and interviews to provide aftercare services to companies that have already set up in Hong Kong; sponsoring events in overseas markets to reach out to potential investors to raise awareness of Hong Kong; speaking at business forums to strengthen Hong Kong's global exposure.

In 2008-09, Invest Hong Kong (InvestHK) will continue with investment promotion efforts to attract Mainland enterprises to establish a presence or expand operations in Hong Kong by conducting a series of seminars and workshops, and advertising and public relation campaigns. In June 2007, InvestHK announced in Beijing that it would stage a three-year nationwide marketing campaign targeting privately-owned enterprises in seven<sup>1</sup> most economically advanced provinces. The campaign will involve promotion activities in three phrases, which will include: high-level seminars officiated by senior government officials from the Mainland and Hong Kong; working level seminars to be held in key cities; and visits by delegations of entrepreneurs to Hong Kong. These activities should help equip prospective Mainland investors with information and tools needed to use Hong Kong as a springboard to expand globally. Furthermore, to promote the combined advantages offered by the economic integration of Hong Kong and the Mainland, InvestHK has been conducting joint seminars with Mainland authorities, especially Greater Pearl River Delta (PRD) and Pan PRD cities and provinces, in major overseas markets. In 2008, InvestHK will continue to work closely with Mainland authorities and overseas offices to showcase the business advantages of Hong Kong. It is planned that 8-9 joint overseas promotion activities will be organised with our partners in the Greater/Pan PRD in 2008.

---

<sup>1</sup> The seven provinces are Zhejiang, Shandong, Fujian, Sichuan, Jiangsu, Liaoning and Guangdong.

We anticipate that around \$42.8 million will be required in 2008-09 to fund the IP activities and sustain the momentum of the IP work.

In 2007, InvestHK helped 253 overseas, Mainland and Taiwan companies set up or expand operations in Hong Kong, involving a total investment amount of more than \$8.3 billion. These companies expect the projects to lead to the creation of over 8 100 jobs, including 3 130 jobs established initially and an additional 5 004 jobs in the next two years as these companies expand. The target for 2008 is to facilitate at least another 250 new investment projects.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

M J T Rowse

Post Title \_\_\_\_\_

Director-General of Investment Promotion

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN 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 and Economic Development

Question :

In respect of the joint overseas marketing activities with Pearl River Delta cities, how many projects have been confirmed and how many are being planned for 2008-09? What is the effectiveness of similar activities in the past? How are the budget shared between Hong Kong and the Pearl River Delta cities in these joint projects?

Asked by : Hon. WONG Ting-kwong

Reply :

We plan to organise 8-9 joint overseas promotion activities with our partners in the Greater/Pan Pearl River Delta (PRD) in 2008-09. We will partner the Shenzhen Bureau of Trade and Industry in Paris (15 April), Fujian Province in Birmingham (17 April) and Zhaoqing City in Chicago (9 June). Others in the pipeline include: Foshan City in Melbourne, the Guangdong Department of Foreign Trade and Economic Cooperation in Sydney and Guangdong Province in Spain, Dongguan in Germany and Zhuhai in Tel Aviv.

The main objective of the activities is to attract overseas investors to establish operations in Hong Kong for accessing the Mainland market in particular the Greater/PanPRD. Up to end 2007, 43 joint promotion seminars have been held. The total attendance is over 15 800. A total of 35 investment projects have been completed and a further 102 are being pursued. We will continue to promote Hong Kong as the gateway to the Mainland market.

Other than the large-scale joint promotion event with Guangdong Province, we share the joint promotional campaign costs on an equal basis. For the event with Guangdong, Hong Kong will contribute one-third of the promotional costs while the partner will pay for the remaining two-thirds.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ M J T Rowse

Post Title \_\_\_\_\_ Director-General of Investment Promotion

Date \_\_\_\_\_ 25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN 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 and Economic Development

Question :

1. The provision for 2008-09 is \$1.2 million higher than the revised estimate for 2007-08. This is mainly due to increased salary provision for contract staff and additional provision required for boosting investment promotion work. Please specify the amount of salary increase, the proportion of the increased salary in the provision and the number of staff involved.

Asked by : Hon. WONG Ting-kwong

Reply :

The provision for 2008-09 is \$1.2 million higher than the revised estimate for 2007-08. About \$1 million of the increased provision will be used to meet the full year requirement for the salary increase of the 56 contract staff engaged by Invest Hong Kong. The full-year provision for meeting the pay rise for our contract staff is about \$2 million. While about \$1 million was required for six months' provision in 2007-08 to implement the pay increase which took effect from October 2007, the full year provision for 2008-09 will require an additional provision of about another \$1 million.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

M J T Rowse

Post Title \_\_\_\_\_

Director-General of Investment Promotion

Date \_\_\_\_\_

25.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 168 – Hong Kong Observatory                      Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What measures will be taken in 2008-09 to promote public awareness of and community preparedness for natural disasters? What will be the expenditure incurred? What is the past expenditure on public education? How effective were such educational efforts?

Asked by : Hon. CHAN Kam-lam

Reply :

This year, the Hong Kong Observatory will continue to promote public awareness on disaster prevention and mitigation through different outreaching activities such as organising public lectures, open days and group visits; and through radio and TV programmes, webpages, publicity video and audio clips as well as talks at schools. These would provide the public with meteorological information and advice on precautionary measures during inclement weather.

The above public education activities are integrated into the various work programmes of the Observatory. Hence, we do not have detailed information on the expenses involved.

Last year, the public education webpage of the Hong Kong Observatory registered a total of 3.5 million page visits. Also, over 30 000 people participated in the open days, public lectures, visits and so on. These activities were well-received. We believe that the activities have enhanced the public awareness on disaster prevention and mitigation.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

LEE BOON YING

Post Title \_\_\_\_\_

Acting Director of the Hong Kong Observatory

Date \_\_\_\_\_

20.3.2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 168 – Hong Kong Observatory                      Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Is special manpower and resource deployment required for the provision of weather services connected with the Olympic Games? What will be the additional expenditure incurred?

Asked by : Hon. CHAN Kam-lam

Reply :

The Hong Kong Observatory will provide the weather services for the Olympic Games through redeploying its existing manpower and resources. No additional expenditure is needed.

Signature \_\_\_\_\_  
Name in block letters LEE BOON YING  
Post Title Acting Director of the Hong Kong Observatory  
Date 20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 168 – Hong Kong Observatory                      Subhead (No. & title) :

Programme :

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development [Programme (1) and (3)]

Secretary for Security [Programme (2)]

Question :

Regarding the studies (including in-house studies or those entrusted to consultants) conducted by the Bureau for the purposes of formulating and assessing policies, please provide the relevant information in the following format:

- (1) For the projects that have reserved funds for conducting consultancy studies in 2007-08, please provide information in the following format:

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning/in progress/completed)	The follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?

- (2) Is there any project that will reserve funds for conducting consultancy study in 2008-09? If yes, please provide the following information:

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning/in progress/completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If yes, through which channels? If no, what are the reasons?

Asked by : Hon. EU Yuet-mee, Audrey

Reply :

- (1) In 2007-08, the Hong Kong Observatory did not conduct any consultancy studies for the purpose of formulating or assessing policies.
- (2) In 2008-09, the Hong Kong Observatory does not have any plan to conduct any such consultancy study either.

Signature \_\_\_\_\_  
Name in block letters LEE BOON YING  
Post Title Acting Director of the Hong Kong Observatory  
Date 20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 168 – Hong Kong Observatory

Subhead (No. & title) : 000

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is mentioned under Matters Requiring Special Attention that the Department will “provide weather services in connection with the Beijing 2008 Olympic Games”. In this regard, would the Administration advise the expenditure and manpower arrangements involved?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Hong Kong Observatory will provide the weather services for the Olympic Games through redeploying its existing manpower and resources. No additional expenditure is needed.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

LEE BOON YING

Post Title \_\_\_\_\_

Acting Director of the Hong Kong Observatory

Date \_\_\_\_\_

20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 168 – Hong Kong Observatory

Subhead (No. & title) : 000

Programme :

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding Subhead 000 Operational expenses, would the Administration explain the substantial increase in Allowances under Personal Emoluments in the revised estimate for 2007-08 over the original estimate and the decrease in the relevant estimate for 2008-09?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The increase in Allowances under Personal Emoluments in the revised estimate for 2007-08 is mainly due to acting requirements incurred from sick leave arrangement and attachment of some directorate-grade officers. The estimate for 2008-09 decreases because the officers concerned have already resumed duty in late 2007.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ LEE BOON YING \_\_\_\_\_

Post Title \_\_\_\_\_ Acting Director of the Hong Kong Observatory \_\_\_\_\_

Date \_\_\_\_\_ 20.3.2008 \_\_\_\_\_

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 168 – Hong Kong Observatory                      Subhead (No. & title) : 000

Programme : (3) Time Standard and Geophysical Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is mentioned under Matters Requiring Special Attention that the Department will “acquire a replacement caesium-beam clock”. In this regard, would the Administration advise the reason for the acquisition and the expenditure involved?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

As the existing Caesium-beam atomic clock is approaching the end of its useful life, the Hong Kong Observatory has to replace it with a new one so as to maintain the Hong Kong time standard and provide time signals for the public. The estimated expenditure is \$0.7 million.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ LEE BOON YING \_\_\_\_\_

Post Title \_\_\_\_\_ Acting Director of the Hong Kong Observatory \_\_\_\_\_

Date \_\_\_\_\_ 20.3.2008 \_\_\_\_\_

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 168 – Hong Kong Observatory                      Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is mentioned under Brief Description that the Department is “operating a network of ...weather stations”. As currently there is a time lapse of about 10 minutes from real time in the provision of weather data collected by weather stations on the website, would the Administration advise if it is technically feasible to make more frequent updates and provide nearer real-time weather data? If not feasible, what are the reasons?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

Since it takes time to collect and process the data from weather stations and transmit the information to the web server, the current state of technology does not allow the Hong Kong Observatory to provide weather data on its website in real time or update such information more frequently.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

LEE BOON YING

Post Title \_\_\_\_\_

Acting Director of the Hong Kong Observatory

Date \_\_\_\_\_

20.3.2008







**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 168 – Hong Kong Observatory                      Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

On the continuous cold spell we had earlier in the year, some members of the public pointed out that the accuracy of the Hong Kong Observatory's 7-day weather forecast was very low during this period, in particular the gap was quite wide with regard to the forecast of temperatures after the second day. What was the rate of accuracy of the Hong Kong Observatory's 7-day weather forecast and why was the gap so wide during this continuous cold spell?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

During the period of persistent cold weather from 24 January to 17 February 2008, the accuracy of Day-1 and Day-2 minimum temperature forecasts by the Hong Kong Observatory were over 80%, while those of Day-3 to Day-7 were over 55%. In general, the shorter the forecast period, the more accurate the forecasts will be. On the basis of the current technology, there are still difficulties in accurately predicting, several days ahead, the change in various factors including the strength of cold air, cloud amount, relative humidity and rainfall, as well as the interaction among them. Therefore, weather forecasts may differ from the actual situation. The Hong Kong Observatory will continue to improve its weather forecasts through enhancement of equipment and technology.

Signature \_\_\_\_\_

Name in block letters LEE BOON YING

Post Title Acting Director of the Hong Kong Observatory

Date 20.3.2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 168 – Hong Kong Observatory                      Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to “receiving meteorological satellite imageries...” mentioned under the Brief Description, could the Administration please advise if the service to provide hourly meteorological satellite imageries on the Observatory’s website can be enhanced technically so that the imageries can be updated every half an hour?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The satellite imageries shown on the Hong Kong Observatory's website originated from the "Multi-functional Transport Satellite-1R" of Japan and the "Fengyun-2C" satellite of the Mainland China. Limited by the update frequency of the imageries from these two satellites, we can at present only provide hourly updates on these imageries on our website.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ LEE BOON YING \_\_\_\_\_

Post Title \_\_\_\_\_ Acting Director of the Hong Kong Observatory \_\_\_\_\_

Date \_\_\_\_\_ 20.3.2008 \_\_\_\_\_

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 168 – Hong Kong Observatory                      Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to “operating a network of ... weather stations” mentioned under the Brief Description, could the Administration please inform on previous cases in which weather stations broke down and required repairs, resulting in failure to provide data, and the reason(s) of the breakdown as well as the number of hours of non-provision of data?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The effective operating time of the stations in the Hong Kong Observatory's weather station network has been maintained at 97% or above. Equipment failure was mainly due to thunderstorms.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ LEE BOON YING \_\_\_\_\_

Post Title Acting Director of the Hong Kong Observatory

Date \_\_\_\_\_ 20.3.2008 \_\_\_\_\_

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 168 – Hong Kong Observatory                      Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The ‘... “One District One Station” initiative...’ mentioned in the Brief Description and the newly established Hong Kong Park and Shau Kei Wan weather stations only provide temperature readings. Would the Administration advise whether the Hong Kong Observatory has any plan for the new weather stations and future weather stations to provide more comprehensive weather data, such as relative humidity and atmospheric pressure? If so, are there any schedules, if not, what are the reasons?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The objective of the Hong Kong Observatory’s “One District One Station” programme is to set up at least one automatic weather station for measuring air temperature in each of the 18 districts in Hong Kong. At present, we have installed such stations in 13 districts. We have no plan to add facilities to measure other weather elements in these stations before completion of this programme. In fact, our website already provides information on relative humidity, wind speed and wind direction at different locations in Hong Kong for the public at present.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ LEE BOON YING \_\_\_\_\_

Post Title \_\_\_\_\_ Acting Director of the Hong Kong Observatory \_\_\_\_\_

Date \_\_\_\_\_ 20.3.2008 \_\_\_\_\_

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 168 – Hong Kong Observatory                      Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the provision of additional weather forecast services by the Hong Kong Observatory for the Olympic Equestrian Events in 2008, what is the expenditure involved?

Asked by : Hon. TAM Heung-man

Reply :

The Hong Kong Observatory will provide the weather services for the Beijing 2008 Olympic Games through redeploying its existing manpower and resources. No additional expenditure is needed.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ LEE BOON YING \_\_\_\_\_

Post Title \_\_\_\_\_ Acting Director of the Hong Kong Observatory \_\_\_\_\_

Date \_\_\_\_\_ 20.3.2008 \_\_\_\_\_

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :  
Programme : (3) Support for Small and Medium Enterprises and Industries  
Controlling Officer : Director-General of Trade and Industry  
Director of Bureau : Secretary for Commerce and Economic Development

Question :

What concrete measures will be taken in 2008-09 to support small and medium enterprises? What is the expenditure so involved? What is the proportion of the new measures to the existing measures which will continue to be implemented?

Asked by : Hon. CHAN Kam-lam

Reply :

In 2008-09, the Trade and Industry Department (TID) will continue to administer the three SME funding schemes (viz. the SME Loan Guarantee Scheme, the SME Export Marketing Fund and the SME Development Fund). The SME Loan Guarantee Scheme helps SMEs obtain loans to acquire business installations and equipment and to meet working capital needs, while the other two schemes provide grants to help SMEs to, respectively, expand overseas markets and enhance overall competitiveness. Some major enhancement measures to the SME funding schemes have been implemented since 3 March 2008, following approval by the Finance Committee of the Legislative Council in January 2008. These include raising the maximum guarantee ceiling for each SME under the Loan Guarantee Scheme from \$4 million to \$6 million, and increasing the grant ceiling for each SME under the Export Marketing Fund from \$80,000 to \$100,000. The estimated expenditure provision for 2008-09 for the SME funding schemes is \$188.5 million.

The Department will also continue to provide support services to SMEs through its Support and Consultation Centre for SMEs (SUCCESS), which serves as SME entrepreneurs' first-stop for free and reliable business information and consultation services. The focus of workshops, seminars and other related activities organized by SUCCESS in the coming year will be on (i) sales and marketing; (ii) customer relations; and (iii) human resources management. The overall expenditure provision for SUCCESS is estimated to be about \$9.4 million.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ Joseph Y T LAI

Post Title \_\_\_\_\_ Director-General of Trade and Industry

Date \_\_\_\_\_ 18 March 2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :  
Programme : (3) Support for Small and Medium Enterprises and Industries  
Controlling Officer : Director-General of Trade and Industry  
Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to the recommendations of the Director of Audit's Report No.47, what concrete follow-up work will be carried out? Will it involve re-deployment of manpower and resources? Will additional provision be needed?

Asked by : Hon. CHAN Kam-lam

Reply :

The Department has accepted all the recommendations in the Director of Audit's Report No. 47 on the SME funding schemes, and has already taken follow-up actions. These include re-examining some of the claims to identify possible non-compliance cases; enhancing the computer system to address the identified deficiencies; strengthening the monitoring of the loan default rates (in respect of the SME Loan Guarantee Scheme) for better risk management; adopting a more proactive approach to publicising the schemes, and conducting surveys to assess the benefits of the funded projects to SMEs. The manpower and costs arising from these follow-up actions have been absorbed by the existing resources of the Department.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Joseph Y T LAI

Post Title \_\_\_\_\_

Director-General of Trade and Industry

Date \_\_\_\_\_

18 March 2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :  
Programme : (3) Support for Small and Medium Enterprises and Industries  
Controlling Officer : Director-General of Trade and Industry  
Director of Bureau : Secretary for Commerce and Economic Development

Question :

How did the SME Funding Schemes perform in 2005, 2006 and 2007? Will there be any new measures in 2008-09? When compared with 2007-08, what are the changes in respect of resources allocation and utilization?

Asked by : Hon. CHAN Kam-lam

Reply :

The Trade and Industry Department (TID) currently administers three SME funding schemes (viz. the SME Loan Guarantee Scheme, the SME Export Marketing Fund and the SME Development Fund). The cumulative amount of loan guarantees and grants approved under these three schemes by the end of 2005, 2006 and 2007 were \$7.7 billion, \$9.3 billion and \$10.4 billion respectively.

Some major enhancement measures have been introduced to the funding schemes with effect from 3 March 2008. These include: (i) under the Loan Guarantee Scheme, raising the loan guarantee ceiling for each SME from \$4 million to \$6 million and enhancing the scope of loan types under the scheme; and (ii) under the Export Marketing Fund, increasing the grant ceiling for each SME from \$80,000 to \$100,000 and expanding the scope of reimbursable items under the Fund to cover advertisement expenses in trade publications targeting export markets.

The estimated amount of loan guarantees/grants to be approved in 2008-09 is \$1.4 billion, as compared with a projected total of \$1.0 billion approved in 2007-08. This figure of \$1.4 billion for 2008-09 is 9.8% of the total Government commitment under the various SME funding schemes since their launch in December 2001, as compared to 7% for 2007-08.

Signature \_\_\_\_\_

Name in block letters      Joseph Y T LAI

Post Title      Director-General of Trade and Industry

Date      25 March 2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :  
Programme : (3) Support for Small and Medium Enterprises and Industries  
Controlling Officer : Director-General of Trade and Industry  
Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please describe in brief the current position in the operation of and application for the three funding schemes targeting at small and medium enterprises, namely the SME Loan Guarantee Scheme, SME Export Marketing Fund and SME Development Fund. Has the Administration adopted measures to further streamline the application procedures and shorten the processing time? How does the Administration assess the effectiveness of these streamlining measures? What are the reactions of the trade?

Asked by : Hon. CHOW LIANG Shuk-ye, Selina

Reply :

The SME Loan Guarantee Scheme, the SME Export Marketing Fund and the SME Development Fund have been operating smoothly. Up to end February 2008, a total of 10 200 and 19 900 SMEs have benefited from the SME Loan Guarantee Scheme and the SME Export Marketing Fund respectively. Furthermore, 105 applications under the SME Development Fund have been approved. Taking into account the now defunct SME Training Fund, a total of \$10.8 billion in loan guarantees and grants have been approved, with 48 600 SMEs directly benefiting from the schemes. The funding schemes have helped enhance the overall competitiveness of SMEs in different sectors.

A number of measures were introduced in the past years to streamline the application procedures. These include:

- (i) under the SME Export Marketing Fund, waiving the requirement for applicants to obtain approval-in-principle prior to their participation in export marketing events; and
- (ii) under the SME Development Fund, accepting applications on a year round basis.

These measures are generally welcomed by the trade.

Signature \_\_\_\_\_

Name in block letters Joseph Y T LAI

Post Title Director-General of Trade and Industry

Date 20 March 2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :

Programme :

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question: Regarding the studies (including in-house studies or those entrusted to consultants) conducted by the Bureau for the purposes of formulating and assessing policies, please provide the relevant information in the following format:

- (1) For the projects that have reserved funds for conducting consultancy studies in 2007-08, please provide information in the following format:

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning / in progress / completed)	The follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?

- (2) Is there any project that will reserve funds for conducting consultancy study in 2008-09? If yes, please provide the following information:

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning / in progress / completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If yes, through which channels? If no, what are the reasons?

Asked by: Hon. EU Yuet-mee, Audrey

Reply :

- (1) Projects with funds reserved for conducting consultancy studies in 2007-08:

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning / in progress / completed)	Follow-up action taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?
International Development Systems Inc	Issues relevant to Hong Kong/US textiles trade	\$430,000	In progress	The consultant's contributions form part of the basis for our evaluation of various trade issues as appropriate	No. Instead of disseminating individual study reports to the public, we have drawn on the input and advice of the consultant in monitoring the development of, and conducting analysis on, various trade issues. Information of relevance to the trade is promulgated through notices/ circulars issued by the Department from time to time.
Grey, Clark, Shih & Associates Ltd	Trade issues in Canada which may affect the economic and trade interests of Hong Kong	\$540,000	In progress	-ditto-	-ditto-
Strategic Controls Consultancy Limited	To render technical advice on issues relating to control of trade in strategic commodities and international non-proliferation regimes	\$69,000	In progress	We make reference to the technical advice of the consultant in implementing the strategic trade control system.	No. The consultant's technical advice is taken into account in implementing the strategic trade control system. Information of relevance to the trade is promulgated through circulars issued

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning / in progress / completed)	Follow-up action taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?
					by the Department from time to time.
N.A.	Consultancy to provide advisory services on trade in goods & services	\$283,000	Provision not utilized because the ongoing multilateral negotiations on trade in goods and services does not give rise to any need for expert advice from consultant in 2007-08	N.A.	N.A.
Poly U Technology & Consultancy Company Limited	Survey on the beneficiaries of SME Export Marketing Fund and SME Loan Guarantee Scheme	\$99,200	In progress	We will make reference to the report in evaluating the Funding Schemes' effectiveness.	N.A.

(2) Project with funds reserved for conducting consultancy study in 2008-09:

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning / in progress / completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If yes, through which channels? If no, what are the reasons?
International Development Systems Inc	Issues relevant to Hong Kong/US textiles trade	\$474,000	Under planning	No. Instead of disseminating individual study reports to the public direct, we will draw on the input and advice of the consultant in monitoring the development of, and conducting analysis on, various trade issues. Where necessary, information of relevance to the trade will be promulgated through notices/circulars issued by the Department.

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning / in progress / completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If yes, through which channels? If no, what are the reasons?
Grey, Clark, Shih & Associates Ltd	Trade issues in Canada which may affect the economic and trade interests of Hong Kong	\$902,000	Under planning	-ditto-
Strategic Controls Consultancy Limited	To render technical advice on issues relating to control of trade in strategic commodities and international non-proliferation regimes	\$151,000	Under planning	No. The consultant's technical advice will be taken into account in implementing the strategic trade control system. As necessary, information of relevance to the trade will be promulgated through circulars issued by the Department.
N.A.	To provide expert advice to TID on issues relating to the ongoing multilateral deliberations and negotiations on trade in goods and services.	\$565,000	No specific project has been planned for the time being	The relevant expenditure would be incurred on a need basis. Whether and how the results of the studies will be released to the public depends on the nature of the projects to be commissioned.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Joseph Y T LAI

Post Title \_\_\_\_\_

Director-General of Trade and Industry

Date \_\_\_\_\_

20 March 2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :

Programme : (1) Commercial Relations

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

With regard to matters requiring special attention in 2008-09 under this programme on monitoring the implications of the various WTO agreements for Hong Kong, will the Administration please inform this Council:

- (a) the present work progress, the manpower and expenditure involved?
- (b) the progress on liberalising domestic service trade (including services trade which have been liberalised and which are planned to be liberalised, the extent of liberalisation and time table) and whether assessments have been made on the implications of the General Agreement on Trade in Service on different sectors in Hong Kong?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply :

- (a) Work on monitoring the implications of various World Trade Organization (WTO) agreements for Hong Kong and implementation of these agreements by trading partners mainly includes regular monitoring of discussion at various WTO fora (including trade in goods and services, agricultural trade, regional trade agreement, dispute settlement, etc.), participation in on-going multilateral negotiations, and liaison with relevant policy bureaux and departments in consulting relevant trade organisations and stakeholders in formulating negotiation strategy.

Insofar as the Department is concerned, the subject of multilateral trade negotiations is overseen mainly by the Multilateral Division. The Division is headed by an Assistant Director-General and comprises 14 Trade Officer Grade officers. Several officers in other divisions of the Department are also providing support to this area of work. Since some of the staff also handle work other than that related to monitoring the implications and implementation of WTO agreements, it is difficult to estimate the exact resources involved.

- (b) Since the launch of the Doha Round of WTO negotiations on trade in services in 2000, Hong Kong has tabled its initial and revised offers on further liberalisation of services in April 2003 and June 2005 respectively. The offers cover areas in which we have competitive advantage, including new commitments in some business services, widened scope for distribution services and improved telecommunications, financial and maritime transport services, and commitments on enhancing the transparency of application procedures for movement of natural person, urban planning and landscape architectural services, and maritime transport services and freight transportation services. Our offers are comparable to those of our major trading partners and commensurate with our free and open trading regime.

The commitments proposed in both the initial and revised offers are conditional upon the overall outcome of the Doha Round negotiations, including satisfactory offers from our trading partners with commitments meeting the interests of Hong Kong, and the development of further disciplines on rule-making.

The objective of our participation in the WTO trade in services negotiations is to safeguard and pursue the overall economic interest of Hong Kong, including securing improved market access for Hong Kong services suppliers, and providing improved environment for Hong Kong to attract foreign investment. These improvements, if achieved, will be conducive to further economic growth and local employment. The offers we have put forward fall fully within the parameters of the Government policies in the concerned services sectors. Two public consultation exercises have been conducted in 2002 and 2005, and careful policy research and assessment has been conducted by the relevant policy bureaux, before Hong Kong's requests and offers are drawn up.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Joseph Y T LAI

Post Title \_\_\_\_\_

Director-General of Trade and Industry

Date \_\_\_\_\_

26 March 2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :

Programme : (1) Commercial Relations

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

With regard to matters requiring special attention in 2008-09 under this programme on the WTO Doha Development Agenda (DDA) negotiations, will the Administration please inform this Council:

- (1) the present work progress, the manpower and expenditure involved?
- (2) whether assessment has been made on the possibilities of concluding DDA negotiations by the end of this year?
- (3) what position does Hong Kong, as the host of the Sixth WTO Ministerial Conference (MC6) under the Doha Round, hold regarding agriculture subsidies and industrial tariffs, and will the Administration actively assist in the conclusion of agreements conducive to the development of the poorer countries?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply :

- (1) The latest situation of the Doha Development Agenda (DDA) negotiations is that the Chairs of the Agriculture and Non-agricultural Market Access (NAMA) Negotiating Groups (NGs) issued the respective draft negotiating texts on 17 July 2007, while the Chair of the NG on Rules released his draft texts on 30 November 2007. World Trade Organization (WTO) Members have been engaging in serious and intensive discussion on the draft texts. Revised draft texts on Agriculture and NAMA were issued on 8 February 2008. Discussions on possible draft negotiating texts on Services and Trade Facilitation are being conducted. Hong Kong will continue to participate actively and provide constructive suggestions particularly in our priority areas, namely, services (to achieve progressive liberalisation for trade in services), NAMA (to seek early reduction and elimination of industrial tariffs), rules (to clarify and improve trade rules) and trade facilitation (to bring about simplified customs procedures and more transparent trade regimes).

Insofar as the Department is concerned, the subject of multilateral trade negotiations is overseen mainly by the Multilateral Division. The Division is headed by an Assistant Director-General and supported by 14 Trade Officer Grade officers. Several officers in other divisions of the Department are also providing support to this area of work. Since some of the staff handle work other than DDA related subjects, it is difficult to estimate the exact resources involved.

- (2) The key to a breakthrough in the DDA negotiations lies in the major players making compromises on agricultural market access and domestic farm support, and developing economies demonstrating a willingness to open their markets further to imports of services and industrial goods. At the WTO General Council meeting held on 5 February 2008, the Director General of WTO, as the Chair of the Trade Negotiations Committee, remarked that if WTO Members stepped up the pace in all negotiating areas, conclusion of the Round within 2008 would be attainable. Serious negotiations on different subjects are underway and Hong Kong will continue to participate actively with a view to achieving a timely conclusion of this Round with a balanced outcome. Whether negotiation will be concluded successfully by the end of 2008 remains to be seen, given the number of issues to be agreed, and the fact that the negotiation operates on the basis of consensus.
- (3) As a staunch supporter of free trade, Hong Kong fully supports the early elimination of trade-distorting subsidies in agriculture.

For the negotiations on industrial tariffs, since Hong Kong imposes no customs tariffs, we stand to gain from any customs tariff concessions that other WTO Members agree to make. Therefore, our main objective is to seek significant market access improvements through substantial and early reduction or elimination of tariffs, especially in sectors of interests to Hong Kong.

On development issues, Hong Kong fully supports, and will try to facilitate, arrangements which can help the economic development of developing and least-developed economies, for example, enhanced market access to developed economies, and special and differential treatments for developing and least-developed economies.

Signature	_____
Name in block letters	Joseph Y T LAI
Post Title	Director-General of Trade and Industry
Date	26 March 2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :

Programme : (2) Trade Support & Facilitation

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to the brief description under this programme on the licensing and certification services for rice, will the Administration please inform this Council:

- (a) the present work progress, the manpower and expenditure involved?
- (b) whether consideration will be given to abolishing the control on rice, or simplifying or exempting the licensing and certification application procedures for rice bearing organic or fair trade certification so as to encourage the public and importers to buy these environmental and producer friendly products?

Asked by : Hon. Fung Kin-kee, Frederick

Reply :

The Government has been operating a Rice Control Scheme (RCS) since 1955 to ensure a stable supply of rice and to keep a reserve stock sufficient for consumption by the population for a reasonable period to cater for emergencies or any short term shortage of supply. After the major liberalization exercise on the RCS in 2003, the rice trade now generally operates in a free market environment. Regulations are kept to the minimal to satisfy statutory requirements and to ensure a stable supply of rice. Under the current RCS, any person/entity carrying on business registered in Hong Kong under the Business Registration Ordinance interested in importing any kind of rice may apply for registration as a stockholder of rice free of charge, and without any capital and financial requirements.

As regards part (1) of the question, operation of the RCS is an ongoing measure. The RCS is currently overseen by a Principal Trade Officer, who is assisted by two Trade Officer Grade officers performing supervisory role on the scheme as part of their duties. Three clerical staff work on the operation of the RCS full time. The annual financial provision for the three clerical staff is \$741,780. The Principal Trade Officer reports to an Assistant Director-General.

As regards part (2) of the question, given the objectives of the RCS as explained above, the Government has no intention to discontinue the scheme. The operation of the RCS was discussed by the LegCo Panel on Commerce and Industry in May 2006, and there was general support from the Panel on the continuation of the scheme. Representatives of rice trade associations attending the Panel also shared the objectives of the RCS and generally concurred with the need to maintain it. Furthermore, since the major liberalization exercise on the RCS in 2003, the Department has continued to implement measures to simplify procedures to further facilitate the rice trade. For example, there is now the automatic renewal of stockholders' annual registration under normal circumstances. As indicated in

the first paragraph, regulations under the RCS are kept to the minimal; traders who wish to import any kind of rice, including those referred to in part (2) of the question, are subject to the same licensing requirements.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ Joseph Y T LAI \_\_\_\_\_

Post Title \_\_\_\_\_ Director-General of Trade and Industry \_\_\_\_\_

Date \_\_\_\_\_ 18 March 2008 \_\_\_\_\_

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :

Programme : (2) Trade Support and Facilitation

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

With regard to the brief description under this programme on the implementation of the Kimberley Process Certificate, will the Administration please inform this Council:

- (1) the present work progress, the manpower and expenditure involved?
- (2) whether public education activities will be organised to enhance the public's knowledge about this scheme?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply :

- (1) Since the implementation of the Kimberley Process Certification System (KPCS) in Hong Kong in January 2003, rough diamond traders must register with the Trade and Industry Department (TID) on a biennial basis. Registered rough diamond traders are required to lodge Kimberley Process (KP) Certificate applications with TID to cover the import and export of rough diamonds. There were 367 registered rough diamond traders as at 29 February 2008, and the number of KP certificates issued over the years is as follows:

2003: 5 068

2004: 4 913

2005: 4 834

2006: 5 607

2007: 5 537

On manpower and expenditure, one Trade Officer and one Assistant Trade Officer, with the support of a licensing officer and an assistant, are involved in the implementation of KPCS. As the staff are also responsible for other general licensing duties, it is difficult to estimate the exact expenditure required for the service.

- (2) Publicity activities have been targeted at traders affected by the KPCS (including the relevant trade associations representing rough diamond traders, carriers, international courier and logistics companies), so as to strengthen the control on trade in rough diamonds while facilitating legitimate trade. We issue trade circulars from time to time to inform the trade on aspects of the KPCS implementation as well as to update them of the latest KPCS development. We also consult the trade on changes and matters relating to the KPCS implementation.

Signature \_\_\_\_\_

Name in block letters      Joseph Y T LAI

Post Title      Director-General of Trade and Industry

Date      18 March 2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :  
Programme : (3) Support for Small and Medium Enterprises and Industries  
Controlling Officer : Director-General of Trade and Industry  
Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to matters requiring special attention in 2008-09 under this programme on the SME Funding Schemes and the SME Mentorship Programme, will the Administration please inform this Council:

- (a) the present work progress, the manpower and expenditure involved?
- (b) the number of social enterprises taking part in these Schemes or Programme? Will consideration be given to promoting these Schemes or Programme to social enterprises, such as simplifying the application procedures for social enterprises?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

(a) On the SME funding schemes, as at end February 2008, we have processed a total of 183 000 applications, of which over 140 000 applications have been approved. The total amount of government guarantee and grants involved is \$10.8 billion. Over 48 600 SMEs have directly benefited from the cash grants and/or loan guarantees disbursed under the schemes.

On the SME Mentorship Programme, since the launching of the Programme in 2000, the Department has organised five rounds of mentor/mentee matching exercise. Over 700 mentees have participated in the Programme. The Department will launch another round of matching exercise in mid-2008. The estimated expenditure in 2008-09 (excluding manpower cost) is around \$320,000.

On manpower, the Industries Support Division is led by an Assistant Director-General. Under the division, 45 full-time staff, involving provision for salaries of \$14.6 million in 2008-09, are responsible for running the SME funding schemes. As regards the SME Mentorship Programme, 5 staff are involved in operating the Programme. As these staff are also responsible for other duties, a breakdown of expenditure is not available.

(b) We do not have separate statistics on the number of social enterprises which have participated in the SME funding schemes or the SME Mentorship Programme. All applicants, including social enterprises, that meet the respective eligibility criteria for the funding schemes and the Programme can apply. The application procedures are simple and user-friendly. The Department will continue to promote the funding schemes and the Programme to SMEs.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Joseph Y T LAI

Post Title \_\_\_\_\_

Director-General of Trade and Industry

Date \_\_\_\_\_

18 March 2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) : 700 General  
non-recurrent

Programme :

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

With regard to the SME Loan Guarantee Scheme and the SME Export Marketing and Development Funds, will the Administration please inform this Council:

- (a) the number of social enterprises taking part in these Scheme and Funds?
- (b) whether consideration will be given to promoting these Scheme and Funds to social enterprises, such as simplifying the application procedures for social enterprises, or encouraging the existing SMEs to attain social targets so as to satisfy the application requirements for social enterprises?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply :

(a) We do not have separate application statistics on the number of social enterprises which have participated in the SME funding schemes.

(b) All applicants, including social enterprises, that meet the respective eligibility criteria for the SME funding schemes can apply. The application procedures for the SME funding schemes are simple and user-friendly. The Department will continue to promote the funding schemes to SMEs.

Signature \_\_\_\_\_

Name in block letters      Joseph Y T LAI

Post Title      Director-General of Trade and Industry

Date      18 March 2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :

Programme : (2) Trade Support and Facilitation

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The planned figure of consignment-specific textiles import licence issued shows a continuous decrease in 2008 and the number will be 3 000 less than that of 2007, what are the reasons?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The estimated lower volume of consignment-specific textiles import licence in 2008 reflects the recent downward trend, mainly due to the decrease in imports of Hong Kong-origin textiles products from the Mainland related to outward processing, following the abolition of European Union's quantitative restrictions on the Mainland's textiles products starting from January 2008.

Signature \_\_\_\_\_

Name in block letters      Joseph Y T LAI

Post Title      Director-General of Trade and Industry

Date      18 March 2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :  
Programme : (3) Support for Small and Medium Enterprises and Industries  
Controlling Officer : Director-General of Trade and Industry  
Director of Bureau : Secretary for Commerce and Economic Development

Question :

Trade and Industry Department has planned to create four posts in 2008-09 to support the small and medium enterprises and industries. Please provide details regarding the job scope, rank, emoluments and relevant benefits of the posts concerned. What is the expenditure involved?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

Three Assistant Trade Officers II (ATOII) and one Assistant Clerical Officer (ACO) posts will be created in 2008-09 to give support to the Support and Consultation Centre for SMEs (SUCCESS), namely, the Business Start-up Information Service; Business Licensing Information Service; maintenance and enhancement of the SUCCESS website, operation of the reference library, organisation of seminars and other activities for SMEs as well as enquiry services. These civil service posts are created to replace five existing non-civil service contract staff deployed for the same duties.

The salary scale of ATOII is Master Pay Scale (MPS) Points 16 to 27 (\$20,780-\$34,895), while that of ACO is MPS Points 3 to 15 (\$9,675 to \$19,790). The total staff cost involved for the four posts in terms of notional annual mid-point salary (NAMS) value is \$1,179,420.

Fringe benefits available to civil servants on the relevant pay points, such as vacation leave, sick leave, maternity leave (for female officers), medical and dental benefits, retirement benefits, etc. will be provided to the staff concerned as appropriate.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ Joseph Y T LAI

Post Title \_\_\_\_\_ Director-General of Trade and Industry

Date \_\_\_\_\_ 25 March 2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :  
Programme : (3) Support for Small and Medium Enterprises and Industries  
Controlling Officer : Director-General of Trade and Industry  
Director of Bureau : Secretary for Commerce and Economic Development

Question :

In support for the small and medium enterprises and industries, how will Trade and Industry Department make use of the allocation for carrying out the following work items and what is the expenditure involved for each of them?

1. implement the improvement measures to the SME Funding Schemes and closely monitor the effectiveness of the Schemes;
2. organise the SME Mentorship Programme and other on-going SUCCESS activities; and
3. maintain closer liaison with the industries, with a view to helping them to meet new challenges in local and overseas markets.

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

1. The provision for 2008-09 for the SME funding schemes is \$188.5 million. Some major enhancement measures to the SME funding schemes have been implemented since 3 March 2008, following approval by the Finance Committee of the Legislative Council in January 2008. These include raising the maximum guarantee ceiling for each SME under the Loan Guarantee Scheme from \$4 million to \$6 million, and increasing the grant ceiling for each SME under the Export Marketing Fund from \$80,000 to \$100,000. The Department will continue to closely monitor and assess the effectiveness of the schemes through obtaining feedback from the trade and, in consultation with the Small and Medium Enterprises Committee, engaging qualified independent parties to conduct survey among the SME beneficiaries.

2. In 2008-09, the Support and Consultation Centre for SMEs (SUCCESS) will continue to organise the SME Mentorship Programme and other activities such as seminars, workshops, etc. to help broaden SMEs' business knowledge and enhance their entrepreneurial skills. The expenditure to be incurred is estimated to be about \$9.4 million.

3. The Department will continue to maintain close liaison with the trade and industrial organisations, and through various support measures such as (i) the SME funding schemes, (ii) timely dissemination of relevant information on new regulations and trade measures, (iii) reflecting the trade's views to relevant authorities/governments as appropriate, to assist traders to develop overseas and Mainland markets. As this is an integral part of the Department's daily work, a detailed breakdown of financial provision for this purpose is therefore not available.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Joseph Y T LAI

Post Title \_\_\_\_\_

Director-General of Trade and Industry

Date \_\_\_\_\_

18 March 2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :  
Programme : (3) Support for Small and Medium Enterprises and Industries  
Controlling Officer : Director-General of Trade and Industry  
Director of Bureau : Secretary for Commerce and Economic Development

Question :

In regard to support for the small and medium enterprises and industries, will the Administration please explain:

1. the reason for the 20% reduction from the original estimate of \$284 million to the revised estimate of \$230 million for 2007-08; and
2. the calculation of the estimated financial provision of \$240.2 million for 2008-09?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

1. The revised estimates of 2007-08 is about 20% lower than the original estimate. This is mainly due to the lower than expected expenditure for the SME funding schemes, in particular under the Export Marketing Fund (downward adjustment of \$46.8 million), where the number of applications received is lower than anticipated.
2. The overall provision for 2008-09 under Programme (3) Support for Small and Medium Enterprises and Industries at \$240.2 million comprises mainly expenditure requirements for the SME funding schemes (\$188.5 million or 78.5%) and provision for personal emoluments (\$35.7 million or 14.9%), as well as other operational expenses related to other support measures for SMEs and the industries (\$16.0 million or 6.6%).

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ Joseph Y T LAI

Post Title \_\_\_\_\_ Director-General of Trade and Industry

Date \_\_\_\_\_ 18 March 2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :

Programme : (1) Commercial Relations

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What expenditure will be incurred by Trade and Industry Department in the following work items in 2008-09 in order to safeguard Hong Kong's trade interests?

1. monitoring the institutional reforms related to future enlargement of the European Union (EU) to ensure that Hong Kong's trade interests and market access to the enlarged EU will not be adversely affected; and
2. responding to anti-dumping and other trade protection actions, monitoring changes in major trading partners' trade laws and legislations, and giving prompt advice to local traders and manufacturers.

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

1. The Trade and Industry Department (TID) closely monitors changes to the EU's trade policies and assesses their implications to Hong Kong. Enlargement of the EU involves extension to its new Member States the EU's trade regime, including its common customs tariffs, trade rules, technical regulations and standards. Hong Kong traders thus far have benefited from previous rounds of enlargement of the EU market. Adoption of the common customs tariffs by new Member States joining the EU since 2004 has on the whole brought down the tariff rates of those export markets. Standardisation of their trade regime with that of the EU also has trade facilitation effect. TID will continue to keep a close watch on the developments of further proposed enlargement of the EU.

2. TID takes a robust approach against anti-dumping (AD) and other trade defence measures initiated by overseas markets which are targeted at Hong Kong products. At the government-to-government level, TID will, where appropriate, make representations to the government which initiates the trade defence measures to defend Hong Kong's position. In addition, TID provides prompt advice to the trade on such measures and any changes in the import regulations of our trading partners. Since 1980, a total of 50 AD measures against Hong Kong products have been initiated by various trading partners, most notably the EU and India. About two-thirds of the proceedings were eventually terminated without imposition of definitive AD measures.

In 2008-09, TID will, in collaboration with the overseas Economic and Trade Offices, continue to monitor institutional reforms related to the future enlargement of the EU, changes in import regulations and any trade defence measures taken by Hong Kong's major trading partners, alert and advise the trade of the relevant developments in the first instance, and make timely representations against unjustifiable dumping allegations as necessary. Since work in these areas forms an integral part of the on-going commercial relations work of TID, an exact breakdown of the staffing and other resource provisions could not be provided.

Signature \_\_\_\_\_

Name in block letters Joseph Y T LAI

Post Title Director-General of Trade and Industry

Date 20 March 2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :

Programme : (2) Trade Support and Facilitation

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the review of the textiles control system, what initial adjustments have been planned so far? Will it involve re-deployment of manpower and resources? Will additional provision be needed?

Asked by : Hon. WONG Ting-kwong

Reply :

The Department completed a review on Hong Kong's textiles control system in 2007 and decided to maintain the status quo until end-2008. Another review has been scheduled for the third quarter of 2008 to take into account development after the abolition of the European Union's quantitative restrictions on textile products from the Mainland as from January 2008, as well as likely development on the US-China textile scene after 2008. At this stage, it is premature to predict the result of the review and whether there will be any resource implications.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Joseph Y T LAI

Post Title \_\_\_\_\_

Director-General of Trade and Industry

Date \_\_\_\_\_

18 March 2008



**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) :  
Programme : (3) Support for Small and Medium Enterprises and Industries  
Controlling Officer : Director-General of Trade and Industry  
Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please specify the improvement measures for the SME Funding Schemes and the resources involved.

Asked by : Hon. YOUNG Howard

Reply :

On 11 January 2008, the Finance Committee of the Legislative Council approved an additional expenditure commitment of \$500 million to enable the continual operation of the SME Loan Guarantee Scheme, the SME Export Marketing Fund and the SME Development Fund, as well as the introduction of a number of improvement measures to the schemes. With effect from 3 March 2008, the maximum amount of guarantee for an SME under the SME Loan Guarantee Scheme has increased from \$4 million to \$6 million, which includes (i) an increase of guarantee ceiling from \$2 million to \$5 million for the Business Installations and Equipment Loans; and (ii) a new Working Capital Loan guarantee with a guarantee ceiling of \$1 million. As for the SME Export Marketing Fund, the total grant ceiling for each SME has increased from \$80,000 to \$100,000 and the scope of reimbursable items is also extended to include advertisement on trade publications targeting export markets.

Signature \_\_\_\_\_

Name in block letters Joseph Y T LAI

Post Title Director-General of Trade and Industry

Date 20 March 2008

**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Head : 181 Trade and Industry Department      Subhead (No. & title) : 000 Operational Expenses

Programme :

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Allowances under Personal Emoluments are expected to increase in 2008-09 by around \$1,537,000. What accounts for the 90% increase?

Asked by : Hon. YOUNG Howard

Reply :

Although the provision sought for in 2008-09 under Allowances is more than the revised estimate in 2007-08, it is less than 50% of the \$6.8 million originally provided for in 2007-08. The actual expenditure will be determined by the number of overtime hours incurred/to be incurred during the year as well as the number of cases where an acting allowance will be payable.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_

Joseph Y T LAI

Post Title \_\_\_\_\_

Director-General of Trade and Industry

Date \_\_\_\_\_

20 March 2008