

立法會
Legislative Council

LC Paper No. CB(1)1345/08-09
(These minutes have been seen
by the Administration)

Ref : CB1/PL/EDEV/1

Panel on Economic Development

Minutes of meeting
held on Monday, 30 March 2009, at 10:45 am
in Conference Room A of the Legislative Council Building

- Members present** : Hon Jeffrey LAM Kin-fung, SBS, JP (Chairman)
Hon Starry LEE Wai-king (Deputy Chairman)
Hon Fred LI Wah-ming, JP
Hon CHAN Kam-lam, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Albert CHAN Wai-yip
Hon Vincent FANG Kang, SBS, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon WONG Ting-kwong, BBS
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon Paul CHAN Mo-po, MH, JP
Hon Tanya CHAN
Hon IP Wai-ming, MH
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun
Dr Hon Samson TAM Wai-ho, JP
- Member attending** : Hon Miriam LAU Kin-ye, GBS, JP
- Members absent** : Hon Albert HO Chun-yan
Dr Hon David LI Kwok-po, GBM, GBS, JP

**Public officers
attending**

: Agenda Item IV

Miss Janice TSE, JP
Deputy Secretary for Transport and Housing
(Transport)

Miss Emmy WONG
Principal Assistant Secretary for Transport and Housing
(Transport)

Mr Francis LIU
Deputy Director of Marine

Mr Jimmy LEUNG
Acting Chief, Technical Policy
Marine Department

Agenda Item V

Mrs Rita LAU, JP
Secretary for Commerce and Economic Development

Miss Margaret FONG, JP
Commissioner for Tourism

Mr Vincent FUNG
Assistant Commissioner for Tourism

Agenda Item VI

Mr Gregory SO, JP
Under Secretary for Commerce and Economic
Development

Ms Linda LAI, JP
Deputy Secretary for Commerce and Economic
Development (Commerce and Industry)

Clerk in attendance : Ms Debbie YAU
Chief Council Secretary (1)6

Staff in attendance : Mr Timothy TSO
Assistant Legal Adviser 2

Ms Angel SHEK
Senior Council Secretary (1)1

Ms Michelle NIEN
Legislative Assistant (1)9

Action

I Confirmation of minutes and matters arising

(LC Paper No. CB(1)1018/08-09 - Minutes of meeting held on 19 January 2009)

The minutes of the meeting held on 19 January 2009 were confirmed.

II Information papers issued since last meeting

(LC Paper No. CB(1)945/08-09(01) - Tables and graphs showing the import and retail prices of major oil products from February 2007 to January 2009 furnished by the Census and Statistics Department

LC Paper No. CB(1)950/08-09(01) - Referral from Legislative Council Members' Meeting with members of the Southern District Council on 5 February 2009 on Aberdeen Tourism Project (Chinese version only) (Restricted to Members))

2. Members noted the two papers issued since last meeting.

III Items for discussion at the next meeting

(LC Paper No. CB(1)1111/08-09(01) -- List of outstanding items for discussion

LC Paper No. CB(1)1111/08-09(02) -- List of follow-up actions)

3. Members agreed to discuss the following items proposed by the Administration at the next regular meeting to be held on 27 April 2009:

- (a) International Convention on Civil Liability for Bunker Oil Pollution Damage;
- (b) Proposed revision of fees and charges under the purview of the Marine Department; and
- (c) Aberdeen Tourism Project.

Clerk

4. Mr Paul TSE referred to the issues relating to the collection of air passenger departure tax and fuel surcharge by travel agents raised by members at the meeting on 23 February 2009. He considered that the Administration's written responses (LC Paper Nos CB(1)1096/08-09(01)&(02)) had not adequately addressed members' concern. The Chairman instructed the Clerk to follow up with the Administration.

(Post-meeting note: The Legislative Council Secretariat has issued a letter on 14 April 2009 to request the Administration to provide further written response.)

IV Merchant Shipping (Safety) (Amendment) Bill 2009

(LC Paper No. CB(1)1111/08-09(03) - Administration's paper on Merchant Shipping (Safety) (Amendment) Bill 2009)

5. At the invitation of the Chairman, the Deputy Secretary for Transport and Housing (Transport) (DS/TH) briefed members that Hong Kong had an international obligation to implement the latest amendments to those marine safety-related conventions adopted by the International Maritime Organization (IMO) and applicable to Hong Kong. These included the International Convention for the Safety of Life at Sea, 1974, the International Convention on Load Lines, 1966 and the International Regulations for Preventing Collisions at Sea, 1972. The conventions used to be implemented through the Merchant Shipping (Safety) Ordinance (Cap. 369) (the Ordinance) and its subsidiary legislation. DS/TH highlighted that the Administration would amend the Ordinance by enabling the use of Direct Reference Approach, adapting outdated references and streamlining administrative procedures as set out in details in the Administration's paper.

6. In reply to Mr Ronny TONG's enquiry on the Direct Reference Approach, DS/TH said that to obviate the need to amend the subsidiary legislation from time to time to reflect the latest technical amendments in the conventions, the Administration proposed to amend section 112B of the Ordinance to enable regulations made under the Ordinance to refer directly to the relevant provisions of the international agreements and subsequent amendments applicable to Hong Kong. DS/TH explained that the previous arrangement was undesirable as the subsidiary legislation made under the Ordinance had to be re-written from time to time to spell out the corresponding amendments made to the relevant international conventions. DS/TH advised that the Direct Reference Approach had previously been used for some related ordinances such as Merchant Shipping (Control of Pollution by Noxious Liquid Substances in Bulk) Regulations (Cap. 413B), Merchant Shipping (BCH Code) Regulations (Cap. 413D), and Merchant Shipping (Security of Ships and Port Facilities) Ordinance (Cap. 582).

7. Ms Miriam LAU conveyed the concern of the maritime industry that it took a long time for Hong Kong to implement the marine safety-related conventions due to the copious legislative amendment process, which had led to some operational difficulties. Hence, the industry supported the Administration's proposed arrangement.

8. DS/TH said that she understood the industry's concern for speedy implementation of the technical amendments in Hong Kong because Hong Kong registered vessels engaged in international voyages had to comply with the international conventions in their daily operations. She stressed that albeit the time gap in making corresponding amendments to local legislation, the Marine Department had advised the ship owners to act according to the requirements in international conventions to ensure marine safety.

9. Expressing support for the proposal, the Chairman expressed concern about the slow process in adapting outdated references and asked whether it had led to any legal disputes.

10. DS/TH explained that the adaptation to the Ordinance involved replacing references to certain British legislation with applicable international standards and was thus more complicated. Nevertheless, DS/TH assured members that the presence of outdated references in the Ordinance did not affect its legal effects because as provided in section 2A of the Interpretation and General Clauses Ordinance (Cap. 1), words and expressions listed in Schedule 8 to Cap. 1 in all laws previously in force before 1 July 1997 should be construed according to that Schedule.

11. Mr Ronny TONG asked whether the implementation of the requirements would attract more ships to register in Hong Kong. DS/TH advised that currently the number and gross tonnage of ships registered in Hong Kong was over 1 300 and 40 million tons respectively. The Hong Kong Shipping Register was reputed in many ways, although the implementation of the latest marine safety-related conventions might not have a direct bearing on this. The Deputy Director of Marine added that Hong Kong Shipping Register offered the most competitive package, complemented by a simple and speedy registration process, and readily available technical support and advice which would be provided even at weekends upon ship owners' requests. Moreover, the Port State Control detention rates for Hong Kong registered ships remained well below the world averages. He believed that the proposal could further strengthen Hong Kong's position as the logistics hub and maritime centre in the region.

V Proposal to set up a Mega Events Fund

(LC Paper No. CB(1)1111/08-09(04) - Administration's paper on Mega Events Fund

LC Paper No. CB(1)1111/08-09(05) - Paper on the proposal to set up a Mega Events Fund prepared by the Legislative Council Secretariat (Background brief)

12. At the invitation of the Chairman, the Secretary for Commerce and Economic Development (SCED) briefed members on the proposal to create a commitment of \$100 million for setting up a Mega Events Fund (the Fund) in the first half of 2009 to provide financial support to non-profit-making organizations to host attractive mega events in the areas of arts, culture and sports in Hong Kong. She highlighted successful examples of home-grown mega events such as the Chinese New Year Parade, Hong Kong Marathon, Rugby Sevens and Hong Kong Arts Festival. These events had attracted thousands of visitors, created a branding effect for the city, generated considerable economic benefits, and provided job opportunities in related sectors. She remarked that cities round the world, including neighbouring destinations such as Singapore, Macao and Shanghai, were working aggressively to bring in renowned arts, cultural and sports events, and some of these cities offered direct cash subsidies to event organizers. To ensure that Hong Kong remained competitive, the Administration proposed to establish the Fund to offer incentives to event organizers for bringing mega events to the territory. SCED also elaborated on the details related to establishment and administration of the Fund, assessment of applications and monitoring of event implementation.

Monitoring of event implementation

13. Mr Fred LI noted that to effectively monitor event implementation, the Administration would require successful applicants to submit progress reports, final audited financial statements and evaluation report on completion of the event. He considered that the Administration should play a more proactive monitoring role than just perusing written information after the events. Mr LI opined that the Hong Kong Harbour Fest was not actually a mega event, and cited the findings of Report No. 42 of the Director of Audit and the relevant Public Accounts Committee's Report that the Administration had failed to take proper risk management and contingency measures in that event. He urged the Administration to learn from the lesson and put in place a more effective mechanism to monitor the actual progress of the project implementation. Mr Ronny TONG expressed similar concern about risk management of mega events.

14. SCED responded that she had reviewed relevant reports on the Hong Kong Harbour Fest and taken note of the matters requiring special attention. She assured members that the Administration would draw on the experience of the

Hong Kong Harbour Fest to prevent recurrence of similar lapses. To ensure prudent utilization of public resources, the Administration would stipulate clear conditions for the use of the allocated funds, and successful applicants would be required to state clearly the project deliverables for evaluation of their performance, and follow the financial control measures as set out in the relevant agreements. Event organizers would be required to maintain separate books of accounts and all relevant records of the event for inspection as and when required. An Assessment Committee (AC) would be appointed to consider individual applications and a secretariat would be set up under the Tourism Commission (TC) to provide administrative support to the AC and the operation of the Fund.

Funding scope and assessment criteria

15. Mr Fred LI enquired why applications for the proposed Fund would be open to overseas non-profit-making organizations interested in hosting events, given that the Fund was set up with local and public resources.

16. SCED explained that the original intention was to focus on the capability and experience of the applicants in hosting mega events. As the type of events to be supported by the Fund should contain an international element, it would raise the profile of Hong Kong internationally if mega events hosted by overseas organizers successfully could be staged in Hong Kong. She cited the example of the Bledisole Cup Rugby (BCR) Tournament, a renowned rugby event between Australia and New Zealand, which was held for the first time in Hong Kong in November 2008 attracting over 39 000 spectators (including 10 000 Australian arrivals specifically for this event). The match was broadcast live on 12 international TV networks and a major TV channel in Hong Kong, reinforcing the branding of Hong Kong as Asia's events capital.

17. Miss Tanya CHAN asked how the Administration would verify the non-profit-making status of overseas applicants. She suggested devising a set of criteria to evaluate applicants' capabilities and attractiveness of the proposed mega events, and a point system for assessing applications in an open and objective manner.

18. SCED stressed that to maximize the benefits of the proposed Fund to the community and to ensure prudent use of public funds, it was the intention of the Government to confine support to non-profit-making organizations. The status, track record and credibility of overseas organizations could be ascertained based on the information collected through the Government's overseas offices and the consulates general concerned. The AC would determine detailed assessment criteria and procedures, taking into account the background, technical expertise and experience of applicants, and economic benefits of the proposals such as the number of visitors/overseas participants that would be attracted to the event and the number of jobs to be created by the event.

19. Ms Starry LEE enquired whether the Administration would proactively invite suitable organizations to apply for the Fund. She was keen to ensure that the Administration would make good use of the Fund to bring real benefits to Hong Kong. The Chairman asked if any organization had already expressed interest in applying for the proposed Fund.

20. SCED responded that many organizations had approached the Government from time to time to seek support for holding various kinds of events and activities. With the provision of resources under the proposed Fund, the Administration could then consider requests for financial support from interested organizations or proactively alert organizations that have previously approached the Administration of the establishment of the Fund.

21. While appreciating the goodwill of the Government to set up the proposed Fund, Mr IP Wai-ming queried the need for the Government to provide financial assistance to popular home-grown mega events such as Hong Kong Marathon and Rugby Sevens, as these events had been held in past years without Government financial support. He considered that Hong Kong should continue to rely on community efforts in fostering the development of those already successful events.

22. SCED explained that while the Administration would continue to encourage hosting of successful home-grown events in Hong Kong, the proposed Fund would be used to support more events of a considerable scale which would be conducive to creating a branding effect for the city and raising Hong Kong's international profile.

23. While supporting the proposal to promote economic development and create job opportunities, Mr CHAN Kam-lam expressed concern about providing financial support to existing mega events. He opined that the Administration should seek to build the Hong Kong brand with its own unique characteristics and local cultures, instead of relying on overseas brands to sustain the long-term development of tourism. He was worried that some local events might be excluded from consideration for financial support under the Fund, for not meeting the criteria of having an international element or including participants from overseas.

24. SCED advised that Hong Kong currently did not have a policy for the Government to offer incentives to attract large-scale signature events. For instance, the organizer of BCR Tournament had indicated that they would not hold the event in Hong Kong again in 2009 and 2010 due to the lack of incentives offered by the Government, such as subsidies for venue hiring charges. The Administration therefore proposed to set up the Fund to provide support to more mega events that would bring economic benefits to Hong Kong, such as attracting more visitors/overseas participants, including those from the Mainland. SCED reiterated that the policy was not meant to replace existing events.

25. Mr Paul CHAN commented that the Administration's plan to set up the proposed Fund was a good initiative. He enquired about the proposed criteria in vetting funding applications, and pointed out that there were two annual "mega events" in Hong Kong that used to attract a large number of local people and visitors (including visitors from the Mainland). The events enhanced civic consciousness of the public and their care for the society, while demonstrating to the world that Hong Kong was an open city. Some activities under the events carried rich elements of sports and creative arts, and generated wide media coverage both local and overseas. These two "mega events", which were 4 June vigil and 1 July rally, appeared to meet the proposed criteria of the type of events to be supported under the proposed Fund. He enquired how the Administration would assess the applications if the organizers of the two events applied for the Fund. Mr Paul TSE enquired whether events of a controversial nature, such as rally staged by homosexual groups, would be considered by the Fund.

26. Miss Tanya CHAN opined that some events which might bring about positive social impact to the community, such as events promoting integration between the able-bodied and persons with disabilities, should be supported by the Fund.

27. SCED stressed that the purpose of the Fund was to provide financial support to eligible organizers to host attractive mega events in the areas of arts, culture and sports. The Administration would put in a place a transparent and accountable system in the allocation of funding. It was not practicable to specify the types of events that would be considered or otherwise at this stage. The AC to be set up would consider individual applications. At the enquiry of the Chairman, SCED said that all applications, including those from eligible organizations for the disabled, would be dealt with under the same assessment mechanism of the proposed Fund.

28. Mr Paul TSE opined that the Administration should clearly define the objectives of the Fund, for example, whether it included fostering development of home-grown mega events with a view to boosting tourism and achieving synergies within the tourism-relation sectors in the long run. Citing Rugby Sevens as an example, he said that many popular mega events were home-grown but expanded gradually with greater popularity over the years. He considered that imposing restriction on the types of events to be financed by the Fund would defeat the purpose of supporting upcoming and innovative mega events. He suggested that the Fund should be used to nurture local events of a smaller scale, instead of targeting only at international signature events, and the target market of visitors of the proposed events should be taken into account, given the fast-growing number of Mainland visitors.

29. SCED advised that in addition to reinforcing Hong Kong's position as the events capital of Asia and creating a branding effect for the city, the proposed Fund would also enhance the development of tourism and generate considerable economic benefits to the hotel, airline, food and beverage and retail sectors. The Fund aimed to attract mega events, i.e. events of a considerable scale and reached a benchmark figure of 10 000 people. The proposed Fund could also be used to support local events in the area of arts, culture and sports which attained

international profile, such as the international dragon boat invitation tournament which had been discontinued due to the lack of financial support for the organizer to hire suitable venue and arrange effective publicity. It was hoped that the Fund could also help support such local events which were once popular among the public and overseas visitors. SCED said that different types of mega events should be encouraged to enrich the travel experience for visitors including Mainland visitors.

30. The Chairman expressed support for the proposal which would bring economic benefits to Hong Kong. He considered it necessary to prevent "double subsidy" under the proposed Fund as some events might already be receiving financial support from other bureaux or departments. SCED assured members that the Administration would keep a close watch to prevent such from happening.

31. Mr Albert CHAN said that some tourism projects, such as Hong Kong Disneyland and Ngong Ping 360 were not of very high quality and he had reservation about financing mega events by public resources. As the Hong Kong Tourism Board and district councils were already allocated with resources which could be used to support mega events and district events of unique cultural characteristics, he did not consider that there was need to provide additional resources for such events through a Fund.

32. SCED clarified that events funded under the proposed Fund would be implemented by the successful applicants and not the Administration. She stressed that the applications would be vetted by the AC which would be composed of mainly non-officials. All eligible non-profit-making organizations could apply for support under the Fund, and all applications would be assessed on the same basis.

33. Mr Albert CHAN objected to the suggestion of allowing district councils to apply for assistance under the Fund as many activities or events organized by the district councils had political association and might lead to transfer of benefits.

34. Mrs Regina IP was also of the view that mega events should not be Government-led. She considered that the Administration should delineate the kinds of local cultures it aimed to promote. She also reminded the Administration of the possible adverse effects such as traffic congestion and road closure in holding mega events, and this might affect certain business operations.

35. SCED said that the Administration was aware of the need to put in place necessary measures to ensure smooth implementation of the events with a view to minimizing the adverse impact on business operations in the neighbourhood where the events would be held.

Funding level and sponsorship

36. Noting that successful applicants would be required to provide funding from their own resources to meet a fair share of the project costs, Mr Fred LI enquired about the expected level of funding from the applicant.

37. Miss Tanya CHAN considered that proposed mega events which had already secured a major part of the project costs from sponsorship were worth supporting. Mr Ronny TONG was worried that the deployment of public resources might be perceived as assistance to help promote those commercial brands which would sponsor the events under the Fund.

38. SCED said that the Administration maintained an open mind to commercial sponsorship if it could help increase the scale of the events. The AC would exercise caution in funding allocation, and ensure that the allocated resources would not be spent on expenditure items covered by commercial sponsorship.

Economic benefits

39. Mr IP Wai-ming enquired about the performance indicators to measure the cost-effectiveness of mega events. Miss Tanya CHAN also asked how the economic benefits of events could be quantified and measured. Ms Starry LEE enquired the actions to be taken in case the organizers failed to meet the performance targets of the events.

40. SCED advised that the applicants had to state in their applications specific performance targets for the proposed events, and the AC would evaluate the results of the events against those targets when the project was completed. She stressed that successful applicants would also have to comply with the conditions and financial control measures set by the AC.

41. Mr IP Wai-ming enquired about the basis for estimating that there would be 2 800 jobs brought about by the new events in the next three years. He asked whether the employment opportunities would benefit the middle and lower sectors.

42. The Commissioner for Tourism explained that reference had been made to previous experience of organizing large-scale events and the number of jobs so created. It was noted that mega events such as BCR Tournament and Rugby Sevens would provide some 800 to 900 jobs, while events of a smaller scale like the international dragon boat invitation tournament would create around 130 jobs. Assuming that the Fund would support one mega event and two to three events of a smaller scale each year, it was envisaged that some 2 800 jobs in the areas of event planning and management, venue management, marketing and publicity etc. would be created.

43. The Chairman enquired about the duration of the jobs to be created. SCED said that the contracts of staff engaged during the actual staging of events would normally be of short duration. However, the events would also offer job opportunities for personnels in event planning and management and other relevant fields, and their expertise and experience would be valuable for staging similar events in future.

Conclusion

44. The Chairman concluded that members were generally in support of the proposal, and some members had expressed views on the assessment criteria, event management, performance evaluation and sponsorship.

VI Timing for the introduction of the Competition Bill

(LC Paper No. CB(1)1111/08-09(06) - Administration's paper on progress on the preparation of the Competition Bill

LC Paper No. CB(1)1111/08-09(07) - Paper on the introduction of a Competition Law in Hong Kong prepared by the Legislative Council Secretariat (Updated background brief))

45. At the invitation of the Chairman, the Under Secretary for Commerce and Economic Development (USCED) explained that the Government intended to introduce the Competition Bill into the Legislative Council in the 2008-2009 session and had been striving hard to achieve this target, while keeping track of some recent legal developments which might affect the Competition Bill. USCED said that since reporting to the Panel on 16 December 2008, the Administration had been reviewing comments received during the last public consultation exercise and considered that it would need more time to prepare the details of the institutional framework and the exemptions provisions in the Bill. It therefore had to revise the schedule for the introduction of the Competition Bill to 2009-2010. USCED then briefed members on the latest development in respect of the institutional arrangement as well as exemptions and exclusions.

46. Noting that the Administration was considering changing the original civil administration model for the enforcement of the Competition Bill to a judicial model, Mr Ronny TONG asked about the details. USCED advised that when the Administration consulted the public on the proposed Competition Bill, some respondents considered that the proposal to give the Competition Commission powers to adjudicate on infringements and impose remedies in addition to its investigative role would give rise to concentration of too much power in one body. The Administration had also taken into account some recent judicial decisions in revising the institutional arrangement of the Competition Bill. The Administration

was therefore considering changing the original civil administration model for the enforcement of the Competition Bill to a judicial model. Under the new model, the Competition Tribunal would be vested with the powers to adjudicate on infringements and impose a full range of legal remedies. As the Tribunal would be part of the Judiciary, the Administration would need more time to discuss with the Judiciary such an establishment.

47. Mr Ronny TONG referred to the overseas experience that under a judicial enforcement model, consumers or affected parties who felt they had been the subject of anti-competitive conduct might refrain from instituting private actions due to legal cost implications. Mr TONG urged the Administration to allow for "representative action" to be taken on behalf of consumers or affected parties, and also the waiving of costs payable by the affected parties if they lost the case.

48. USCED responded that as the Competition Law was new to Hong Kong, the Administration considered it prudent not to allow for "representative action", which was a relatively new concept in Hong Kong. On the issue of costs, USCED said that in line with the current practice of private civil actions, the costs would be shouldered by the side which lost the case.

49. Mrs Regina IP said that the development and implementation of competition laws in Europe and the United States of America (USA) were quite mature. The Directorate General for Competition set up under the European Commission was currently identifying competition economists to join its existing expert group. Mrs IP urged the Administration to take heed of the need to recruit suitable experts to help in the enforcement of the Competition Bill, in particular in investigation and adjudication of infringements of anti-competitive acts.

50. USCED said that experts well-versed in competition matters were wanting in Hong Kong's human resources market. This was one of the reasons why the Administration was adopting a gradual approach in introducing the Competition Bill. Given the need for the Competition Tribunal to assess expert evidence on the economic impact of alleged anti-competitive conduct, it was proposed that the Competition Tribunal, which would be presided by a High Court Judge, should also have non-judicial or lay members such as economists, businessmen and legal professionals specializing in competition matters.

51. Mrs Regina IP noted that the Administration was now reviewing the activities of individual statutory bodies to assess whether they should be included in a list of statutory bodies which would not be exempted from the Competition Law. She said that there were complaints that the Hong Kong Trade Development Council and the Hong Kong Productivity Council, which were supported by government funding and having more resources, were competing unfairly with other private service providers. Mrs IP considered that the Government should review all non-government public bodies be they statutory or non-statutory, and those receiving subvention or intangible support from the Government should also be listed as "non-exempted" bodies.

52. USCED said that a set of factors would be considered in granting exemptions, such as whether and to what extent (i) the statutory body was engaging in economic activities; and if so whether for the purpose of regulation these activities were inseparable from and incidental to the provision of essential services; (ii) they were in direct competition with private sector entities; (iii) their conduct could affect the economic efficiency of a specific market; and (iv) they enjoyed autonomy in decision-making and day-to-day operation. He said that given the scale of the review and the substantial number of statutory bodies involved, the Administration needed more time to prepare the list and the definition on "statutory bodies" for inclusion in the Competition Bill.

53. Mr Albert CHAN expressed disappointment about the delay in introducing the Competition Bill in Hong Kong since similar laws had been in place in overseas jurisdictions for a long time. He pointed out the need for introducing a general competition law in Hong Kong was being considered for more than a decade. Relevant issues including whether statutory bodies should be exempted from the application of the law had been discussed for some time and it should not be used as the reason for putting off the legislation.

54. USCED stressed that the Government was committed to the early introduction of a cross-sector Competition Bill in Hong Kong to promote competition and to enhance economic efficiency, while serving the public and facilitating a business-friendly environment. USCED pointed out that in the public consultation paper issued in May 2008, it was proposed to exempt the Government and statutory bodies from the competition law. However, many respondents considered that statutory bodies should not be excluded from the ambit of the competition law. The Administration therefore proposed to work out the list of "non-exempted" statutory bodies.

55. Mr Paul TSE noted that in response to the economic downturn due to the financial tsunami, some economies which had implemented competition law recently introduced measures that were counteracting competition. For example, the USA government was committed to assisting the auto industry financially with a view to helping manufacturing communities create new jobs and rebuild local economies. Mr TSE urged the Administration to take into account the prevailing trend in the international arena and consider prudently the timing of introducing the Competition Bill.

56. Mr CHAN Kam-lam expressed a similar view and highlighted the importance for Hong Kong to maintain a free and fair market environment. Noting that the implementation of competition laws in overseas economies had encountered various problems, he considered that more time should be taken to allay the concerns of the business sector, in particular the Small and Medium Enterprises. Mr CHAN supported the Administration to act prudently and adjust the timetable for introducing the Bill.

57. The Chairman reiterated the concern of the business sector that the clarity of the competition law should be improved to minimize potential conflicts in implementation of the new law.

58. USCED stressed that the Administration would ensure that the Competition Bill would be able to deal effectively with anti-competitive conduct. The Administration was working closely with relevant parties within the Government to resolve the technical, legal and policy issues with a view to introducing the Bill as soon as practicable in the 2009-2010 legislative session.

VII Any other business

(LC Paper No. CB(1)1111/08-09(08) - Paper on proposed duty visit to Pearl River Delta prepared by the Legislative Council Secretariat)

59. The Chairman advised that Hong Kong's economy was closely tied with the development of the Pearl River Delta (PRD) area, and having consulted some Panel members, he had proposed to the President of the Legislative Council that the Panel should conduct a duty visit to PRD to observe the latter's latest development in respect of logistics and tourism services. In reply to Mr Ronny TONG's enquiry, the Chairman said that subject to the Panel's decision, further liaison with the relevant authorities in the Mainland would be made in respect of the proposed visit.

60. Mrs Regina IP supported the proposal. She suggested obtaining first-hand information on the development of logistics-related infrastructures such as container ports and the proposed rail link between Shenzhen Airport and Hong Kong International Airport (HKIA) with a view to assessing the benefit of the proposed Container Terminal 10 and the rail link to local economy.

61. Expressing support for the proposed duty visit, Mr CHAN Kam-lam suggested that the Panel should take the opportunity to observe the co-location arrangement at the Shenzhen Bay Control Point, and review the feasibility of co-locating immigration and customs facilities at HKIA, with a view to enhancing Hong Kong's position as an aviation centre in Asia.

62. Mr WONG Ting-kwong considered that the proposed duty visit should focus on strengthening co-operation and increasing economic integration between Hong Kong and Guangdong under the "Framework for Development and Reform Planning for PRD Region" (the Framework) promulgated by the National Development and Reform Commission.

63. Mr Paul TSE expressed strong support for the proposal, and hoped that the delegation could spend more time to visit various facilities. Sharing his view, Miss Tanya CHAN requested the Secretariat to provide background information on

the Framework to facilitate members' exchanges with the Mainland authorities during the visit.

64. Mr Ronny TONG asked about the timing and duration of the proposed duty visit, and suggested avoiding scheduling the proposed visit in June or July when Members were usually heavily involved in scrutinizing legislative proposals.

65. The Chairman advised that as the public was very concerned about the economic development between Hong Kong and PRD area, he had indicated his intention to conduct the proposed duty visit as soon as practicable within the current session. The visit would likely last for two to three days, and be held during the weekend to avoid clashing with other Council business.

66. Mr Vincent FANG supported the proposed duty visit and suggested meeting with the relevant authorities responsible for logistics and tourism development in the Mainland.

67. Mr Albert CHAN suggested exchanging views with Hong Kong businessmen working in PRD to understand their hardship amidst the financial tsunami. He considered that the visit should also be open to non-Panel members. The Chairman advised that the delegation should be of a manageable size in order not to create difficulties in logistical arrangements.

68. The Chairman said that the House Committee's permission would be sought under rule 22(v) of House Rules for the Panel to undertake the visit to PRD.

69. There being no other business, the meeting ended at 12:47 pm.