

LegCo Panel on Economic Development

Policy Agenda of the Commerce, Industry and Tourism Branch, Commerce and Economic Development Bureau

Introduction

This paper outlines the initiatives related to the economic development portfolio of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau under the 2008-09 Policy Agenda.

Undertaking Ten Major Infrastructure Projects for Economic Growth

New Initiatives

Tourism

Initiative: *Invigorate efforts to establish Hong Kong as a prime destination for meetings and exhibitions, and gastronomic delights, including efforts by the Hong Kong Tourism Board (HKTB) to enhance our position as a wine and dine centre with the launch of Michelin Guide Hong Kong and Macao, as well as to attract major international meetings and exhibitions to be staged in Hong Kong.*

2. Hong Kong has a well-earned reputation as an ideal destination for leisure, MICE (meetings, incentive travels, conventions and exhibitions) and other business travellers. Our geographical location on the southeastern tip of China and within five hours flying time of half the world's population means we are well placed as a sourcing hub in Asia. Every year, Hong Kong stages more than 300 international conventions and exhibitions, including some of the world's largest. Through our local and overseas networks, we will continue to attract major meetings and exhibitions to be staged in Hong Kong. Efforts on this front are set out in paragraph 14 below.

3. In August 2008, Michelin announced that Hong Kong is chosen for the publication of a Michelin Guide, which recognises Hong Kong as a destination for gastronomic delights in Asia. We have also signed a Memorandum of Understanding on co-operation on wine with France and Bordeaux in August and October respectively. Discussions on similar co-operation are continuing with a number of other wine-producing countries. These positive developments will reinforce Hong Kong's position as a wine and dine centre, and enhance our appeal to visitors. The HKTB will leverage the publication of the Michelin Guide and the co-operation arrangements on wine in promoting Hong Kong as a paradise for food and wine and enhancing awareness of Hong Kong's culinary excellence.

Aviation Weather Services

Initiative: Enhance the aviation weather services including windshear alerts by upgrading the meteorological facilities of the Hong Kong Observatory, in support of the rapid growth in air traffic and the Civil Aviation Department's plan to set up a new air traffic control system.

4. Aviation safety relies on quality weather services. We will upgrade the meteorological facilities of the Hong Kong Observatory having regard to (a) the rapid growth in air traffic and demand for quality aviation weather services; and (b) need for having back-up facilities to help ensure uninterrupted services.

5. Specifically, the proposed upgrading in meteorological facilities will dovetail with the Civil Aviation Department's plan to set up a new air traffic control system and the migration to higher quality services for the Hong Kong International Airport. We will also set up a new Terminal Doppler Weather Radar to ensure reliable wind shear warnings. We will seek the necessary funding approval from the Legislative Council.

On-going Initiatives

Competition Policy

Initiative: Preparing a Competition Bill for introduction into the Legislative Council, taking account of views put forward by stakeholders with regard to the detailed provisions of the Bill, as summarised in the consultation report published on 30 September.

6. To ensure the effective implementation of our current competition policy and to provide a level playing field for business, we will continue to work towards the introduction of a competition law. In May this year, we published a consultation document, which outlined the proposed major provisions of a competition law, and invited the public to comment on the proposals. We have published a summary report of the outcome of this consultation exercise, which indicates that there is still broad support in the community for a competition law to be enforced by an independent Competition Commission. Taking account of the public response, we are now preparing a draft Competition Bill and our target is to introduce the Bill into the Legislative Council in the 2008-09 legislative session.

Tourism

Initiative: Together with local stakeholders and Mainland tourism authorities, further advancing honest tourism, hospitality culture, and the service quality of Hong Kong tourism industry.

7. The Government and local stakeholders introduced a series of measures last year to promote honest tourism, encourage smart consumption by visitors and enhance the service quality of tourism industry. We will continue to monitor the effectiveness of these measures and reinforce Hong Kong's brand image as a quality tourist destination, focusing on law enforcement, reviewing consumer protection legislation, strengthening industry regulation, enhancing the promotion of quality tourism products to Mainland visitors, as well as stepping up consumer protection and publicity on smart consumption particularly for target audience in the Mainland.

8. Hospitality culture is essential to the sustainable development of the tourism industry. We will continue the "A Hospitable Hong Kong"

Campaign to help promote quality tourism services. The Tourism Commission (TC) first launched the Campaign in 2001 to promote a hospitality culture in the community through the phased implementation of various public education programmes. The major activities organised under the Campaign include the Hong Kong Young Ambassador Scheme (HKYAS), a service quality study, service seminars and Government Announcements in the Public Interest to promote a hospitality culture.

9. Besides continuing with the HKYAS, we will co-organise seminars and activities with trade bodies and relevant organisations to promote quality service amongst tourist guides, travel trade executives, retail industry, taxi drivers, catering practitioners, etc. In addition, an education programme targeting hotel executives will be implemented in 2009 with a view to further improving the service of our hotels to the MICE sector.

Initiative: Supporting the HKTB in its promotion of multi-destination itineraries in key source markets, and marketing efforts in the emerging markets of India, the Middle East and Russia, as well as non-Guangdong provinces of the Mainland.

10. Joining hands with the HKTB, we will strengthen co-operation with Mainland China and Macau to enrich and promote multi-destination itineraries. Three-destination itineraries covering Mainland China, Hong Kong and Macau offer a diverse travel experience unrivalled by any destination in the region, and are particularly appealing to long-haul markets. The HKTB has identified the USA, Canada, the UK, Germany, France, the Netherlands and Australia as the key source markets to promote such multi-destination itineraries. It will continue to target at family and business visitors as well as young executives.

11. India is an emerging market. The HKTB has positioned Hong Kong as a destination for MICE, family visitors, and business and leisure travel. For the high-yield Middle East market, Hong Kong has great appeal as a safe, visa-free city destination with quality shopping, theme parks and hotels. The HKTB will continue its promotion efforts

focusing on the six countries of the Gulf Co-operation Council. Moreover, riding on the popularity of sun and beach holiday in the Russian market, the HKTB will promote Hong Kong through multi-destination itineraries such as beach holiday in Hainan Province plus shopping in Hong Kong.

12. To attract Mainland visitors from outside Guangdong to visit Hong Kong, the HKTB will leverage both Chinese and Western traditional festive celebrations and major events to promote Hong Kong as a cosmopolitan city where culture of the East meets the West. It will also attract “consumption visitors” from cities such as Shanghai and expand its marketing network for Quality and Honest Hong Kong Tour to 15 cities.

Initiative: Advocating measures to further facilitate visitors’ entry into Hong Kong, especially enhancing the visitor-friendliness of entry facilities.

13. At present, travellers from about 170 countries and places enjoy visa free access to Hong Kong. Hong Kong is one of the most immigration-friendly cities with highly convenient entry arrangement and facilities. The Government will introduce two new measures in January 2009 to provide greater convenience for frequent business visitors and tourists from Taiwan, including removing the restriction that limits a person to two iPermit applications within each 30-day period and extending the limit of stay in Hong Kong from 14 days to 30 days for holders of iPermits and multiple entry permits. The Government is about to conclude an agreement with the Macao Special Administrative Region to further streamline clearance for residents travelling between the two places and expects the new measures to take effect in mid-2009. In addition, the Government expects to sign a mutual visa-free access agreement with Russia in the near future which will help promote trade and tourism development between the two economies. We will continue to listen to the views of the travel industry and explore further facilitation measures, within the Administration and with other relevant parties (such as the Airport Authority), to cater for the travel patterns and needs of visitors.

Initiative: *Supporting the HKTB to launch a dedicated office “Meetings and Exhibitions Hong Kong” and continuing partnership with our local and overseas networks to promote Hong Kong as an international city, to attract large-scale MICE events to Hong Kong and assist the hosting of such events; and in liaison with the trade and training institutions, encouraging the supply and training of talent for the MICE tourism sectors.*

14. The HKTB will officially launch its dedicated office, “Meetings and Exhibitions Hong Kong” (MEHK), in November 2008 to provide one-stop support for organisers of MICE events, step up overseas promotion of Hong Kong as a preferred MICE destination in the region, and enrich the travel experience of MICE participants in Hong Kong. We will continue to co-ordinate efforts of our local and overseas networks to promote Hong Kong as an international city, maximise the synergy of overseas promotion initiatives, and bidding efforts for individual MICE events. We have also commissioned a manpower survey to ascertain the manpower situation and training needs of the MICE tourism sector.

Initiative: *Pursuing the early completion of a new cruise terminal at Kai Tak; and continuing to work closely with the Advisory Committee on Cruise Industry to enhance the development of Hong Kong into a leading cruise hub in the region for local, regional and international visitors.*

15. We are committed to developing Hong Kong into a leading regional cruise hub. The Government plans to finance the development of a new cruise terminal by taking up the construction of the project, and lease the facilities to a cruise terminal operator after completion. The first berth of the new cruise terminal is expected to commence operation in mid 2013.

16. We attach equal importance to the development of software facilities for the cruise market. Pooling efforts by the Government and the trade, the Advisory Committee on Cruise Industry focuses on fostering co-operation with neighbouring Mainland coastal provinces for cruise itinerary development, promoting cruise tourism in Hong

Kong and in the region, preparing for interim berthing arrangements from now to the commissioning of the first berth of the new cruise terminal, and promoting the supply of talent to meet the longer term needs of Hong Kong's cruise market. We shall continue to further develop Hong Kong into a must-see cruise destination, and attract more cruise vessels to home-port in Hong Kong.

Initiative: Co-ordinating efforts of Government and the tourism industry to facilitate the operation and development of major tourism infrastructure facilities, including -

(a) Planning and co-ordinating new projects under the Tourism District Enhancement Programme. These include the Aberdeen Tourism Project to complement the redevelopment project of the Ocean Park, enhancement of the Lei Yue Mun waterfront, and development of a piazza in Tsim Sha Tsui.

17. We are pursuing improvement projects on tourism facilities in different districts. We shall continue to liaise closely with our stakeholders to ensure that these projects meet the expectation of residents, satisfy the needs of visitors and enrich their visiting experience.

18. We have commissioned a business consultant to ascertain the business viability of the proposed enhancement of tourist facilities in Aberdeen and Ap Lei Chau promenades. We plan to gauge market interest in participating in the project through an “expression of interest” exercise in 2008/09.

19. For the Lei Yue Mun Waterfront Enhancement Project, we have consulted various stakeholders on specific upgrading proposals. Subject to funding approval from the Legislative Council, we expect the construction works to start in end 2010 for phased completion from 2012 onwards.

20. The Government plans to develop the existing Public Transport Interchange adjacent to the Tsim Sha Tsui Star Ferry Pier into a piazza to provide a leisure space for public enjoyment and enhance

connectivity of the tourist attractions in the vicinity.

21. Over the past year, we have actively engaged the travel trade, the general public and the Legislative Council on possible uses of the piazza, and options for its development and management. With support for the piazza development, we shall proceed to conduct an open competition for the design of the piazza in the second quarter of 2009. The winning design will form the basis for funding application to the Legislative Council in future.

(b) Monitoring the development of the former Marine Police Headquarters (FMPHQ) in Tsim Sha Tsui into a heritage tourism attraction, and facilitating the co-operation between the venue operator and the tourism trade in promoting and developing new tourism products.

22. The TC has formed a Co-ordinating Committee, comprising representatives from the FMPHQ operator, tourism sector and relevant Government departments, to discuss the publicity and preparation prior to the opening of this heritage tourism facility. The TC will continue to facilitate co-operation between the operator and the tourism sector to foster development of new tourism products and their promotion.

(c) Liaising closely with the Ocean Park (OP) and relevant parties to ensure smooth implementation of the Park's redevelopment project with a view to strengthening Hong Kong's position as a premier destination in the region for family visitors.

23. We shall continue to assist the OP in taking forward the Park's redevelopment project. It is targeted for completion by phases and will double the number of attractions at OP to around 70 by 2013, turning it into a world-class "education-cum-entertainment" facility. In 2008-09, subject to the progress of the construction works, we expect that two new major attractions, namely the "Funicular System" and the "Amazing Asian Animals", will commence operation.

(d) Discussing with The Walt Disney Company further development plan and financial arrangement of the Hong Kong Disneyland with a

view to enhancing its appeal to visitors and operational performance.

24. Hong Kong Disneyland is a long-term investment in our tourism infrastructure. It helps enrich the travel experience of our visitors and attract family tourists in choosing Hong Kong as their premier holiday destination. As a major shareholder of Hong Kong Disneyland, the Government shall continue to urge the management to make continuous improvement in the park's appeal to tourists and its operations. We shall also continue to discuss with The Walt Disney Company the park's future development and financial arrangement.

(e) Facilitating the smooth operation of Ngong Ping 360 and Hong Kong Wetland Park.

25. Ngong Ping 360 and the Hong Kong Wetland Park are among the most popular tourist attractions in Hong Kong. These facilities do not only give visitors an enjoyable experience, but also enhance the position of Hong Kong as a premier destination for family visitors in the region. The TC will continue to co-ordinate efforts of the Government, the tourism industry and the operators of these two tourism attractions to facilitate their smooth operation.

Initiative: Continuing to join hands with performing arts groups and travel trade partners to leverage our arts and cultural products to enrich visitors' nightlife and travel experience.

26. To strengthen our position as a cosmopolitan destination, we encourage local performing arts groups to cultivate international audience in support for their quality performances. The 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 enhance the promotion of cultural tourism in Hong Kong. The Working Group has focused its efforts in enhancing product awareness of the travel sales force, especially staff of hotels and travel agencies, revamping HKTB's website for more effective promotion to overseas visitors, matching the needs of interested travel agents and performance groups to promote co-operation, and facilitating ticket purchase by overseas visitors through the internet. The overall

response to the scheme is encouraging. With more experience, we shall continue to improve the marketing platform and enrich the content of cultural tourism by expanding the scheme to other interested performing arts groups and travel trade participants.

Investing for a Caring Society

New Initiative

Consumer Protection

Initiative: *Review the existing consumer protection legislation in the light of the recommendations by the Consumer Council with a view to better protecting consumer rights and combating misleading and undesirable sales practices, and consult the public on the way forward in the first half of 2009.*

27. At the Administration's invitation, the Consumer Council has reviewed existing measures to protect consumer rights, including ways to improve the relevant legislation to combat misleading and undesirable sales practices. It submitted the report earlier this year. In brief, the review recommends that a new law be enacted to prohibit unfair trade practices in the provision of goods or services to consumers. We are examining the recommendations. In that regard, we are mindful of the need to protect consumer rights and at the same time to sustain a sound operating environment for businesses. We aim to consult the public on the way forward in the first half of 2009.

28. As part of the package of measures announced by the Chief Executive in mid-July 2008 to alleviate the pressure of inflation on the community, the Consumer Council has been launching several price surveillance initiatives. The Weekly Price Survey compares the prices of about 40 commonly consumed commodities in supermarkets, grocery stores and pharmacies in a district, and the survey outcome, including the names of the shops surveyed, are announced once a week. The other initiative, the Internet Price Watch, compares on a daily basis the prices of over 400 items available for sale on the internet by four

supermarkets. The third initiative, the Daily Wet Market Report, aims to survey the prices of popular fresh produce, such as vegetables, meat and fish, in wet markets. The Consumer Council aims to launch the initiative around November.

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