

**Replies to initial written questions raised by Finance  
Committee Members in examining the Estimates of Expenditure 2010-11**

**Director of Bureau : Secretary for Commerce and Economic Development  
Session No. : 5**

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<b>Reply Serial No.</b>	<b>Question Serial No.</b>	<b>Name of Member</b>	<b>Head</b>	<b>Programme</b>
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**CONTROLLING OFFICER'S REPLY TO  
INITIAL WRITTEN QUESTION**

Reply Serial No.

**CEDB(CIT)001**

Question Serial No.

3070

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 :

Last year, the Class Actions Sub-committee (“the Sub-committee”) under the Law Reform Commission recommended that the Government should make injections into the Consumer Legal Action Fund and expand the existing scope of the Fund, with a view to allowing the institution of class action proceedings by cases with justifications for claims but could hardly afford paying the costs. The Government now plans to make an injection of \$10 million into the Consumer Legal Action Fund in 2010-11. Would the Administration inform this Committee:

Out of the originally proposed provision of \$10 million, whether funds have been reserved for implementing the recommendations of the Sub-committee? If yes, what are the amount and the areas to be covered? If not, how will the Administration respond to the recommendations of the Sub-committee for more effective promotion of consumer protection?

Asked by : Hon. CHAN Mo-po, Paul

Reply :

The current balance (as at end-February 2010) in the Consumer Legal Action Fund (CLAF) is about \$13.80 million. The Government proposes that \$10 million be injected into CLAF in 2010-11 to provide continued support and legal assistance to eligible applicants with meritorious claims (including cases relating to the Lehman Brothers incident).

The Law Reform Commission’s Class Actions Sub-committee published in November 2009 a consultation paper which proposed the introduction of a mechanism for multi-party litigation in Hong Kong. The funding model for the class actions regime is one of the issues examined in the consultation paper. The consultation paper recommended, among other things, that the scope of CLAF should be expanded to cover class action proceedings in consumer claims.

When releasing the consultation paper, the Sub-committee made it clear that the recommendations were intended to facilitate discussion and did not represent the Sub-committee's final conclusions. It is too early to say at this stage if a mechanism for multi-party litigation should be introduced as recommended and whether consequentially, the scope of CLAF should be expanded.

Signature	_____
Name in block letters	Miss YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)002**

Question Serial No.

1453

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

Subhead (No. & title) :

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 respect of the agreement signed with the General Administration of Customs on the facilitation measures for wines exported from Hong Kong to the Mainland to be implemented on a trial basis in Shenzhen in the second quarter of 2010, please provide details on the content of agreement, the benefits to be generated, the number of clearance days to be reduced and the expected growth in quantity and business volume of wine re-exports.

Asked by: Hon. CHEUNG Yu-yan, Tommy

Reply:

The market for wine is growing across Asia (in particular the Mainland). According to market projections recently released by Vinexpo, the industry forecasts that the consumption of wines imported into the Mainland would grow by more than 60% during the period between 2009 and 2013 (relative to that between 2004 and 2008), reaching nearly 17 million cases in the year 2013.

To help the industry tap the business opportunities emerging in the Mainland, we signed an agreement with the General Administration of Customs in February 2010 to provide facilitation measures for wines exported from Hong Kong to the Mainland. We plan to try out the measures in Shenzhen in the second quarter of 2010. Details of the measures are as follows :

- (i) **pre-valuation of wine duty** : registered Hong Kong traders may request the Mainland Customs to evaluate the wine duty 10 working days before the shipment is exported to the Mainland. When the shipment arrives at a Mainland boundary point, the Customs procedure would normally be completed within one working day; and

- (ii) **expediting the clearance process** : for registered traders who do not seek the above wine duty pre-valuation service, the Mainland Customs would strive to expedite the clearance process at the Mainland boundary points. For wines that have been imported into the Mainland before, and provided that the necessary documents are available, the clearance process would normally take no more than three working days. For wines which are new to the Mainland market, the process would be done within seven working days.

We hope the facilitation measures would encourage more traders to establish and/or expand their wine businesses in Hong Kong. This would bring benefits to related businesses (such as logistics and storage) and help boost employment. We have refrained from making specific forecasts on the possible growth in business volume that the new measures might bring. That said, feedback from the industry suggests that stakeholders are generally positive that the measures would provide incentives for traders, particularly those operating on a smaller business scale, to export a greater variety of wines through Hong Kong to the Mainland.

After the trial run in Shenzhen for about six to nine months, we will discuss with Mainland Customs and consider extending the facilitation measures by phases to other key Mainland ports, such as Shanghai, Guangzhou and Beijing.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

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

Date 18.3.2010



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

Reply Serial No.

**CEDB(CIT)003**

Question Serial No.

1454

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 :

On pursuing measures to support the further development of wine-related businesses in Hong Kong, has the Administration assessed the long-term manpower demand of wine industry? What wine-related courses are now offered in Hong Kong? How many places are available? Are they sufficient to meet the needs of the industry?

Asked by : Hon. CHEUNG Yu-yan, Tommy

Reply :

Many public and private training institutions have all along been organizing manpower training programmes and wine appreciation courses according to market needs. To facilitate the further development of wine-related businesses in Hong Kong, the Government will continue to foster close liaison between the industry and the training institutions in assessing the longer-term manpower needs and mapping out the best way for meeting such needs, covering personnel ranging from sommeliers to frontline staff involved in logistics and warehousing. The Government has also encouraged partnership between local and overseas training institutions through the signing of co-operation agreements with our trading partners.

Responding to the recent surge in market demand, the institutions, public and private alike, have been enriching/expanding wine appreciation courses and developing enhanced manpower training programmes, in partnership with overseas institutions in some cases. For instance, the Vocational Training Council (VTC) launched new wine-related courses and modules by phases last year and strengthened its partnership with overseas institutions. This enhances the training programmes that VTC offers to personnel ranging from sommeliers to frontline catering staff and so on, which add up to a total of over 2,200 places at the moment. Besides, the School of Professional and Continuing Education of the Hong Kong University has partnered with an overseas institution to launch the first Master of Business Administration programme on wine in Hong Kong, providing 25 places meeting demands for enhanced training at the managerial level.

We will continue to encourage the industry to maintain their dialogue with the training institutions, in the interest of ensuring that their manpower needs are met.

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>18.3.2010</u>

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

Reply Serial No.

**CEDB(CIT)004**

Question Serial No.

1455

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 :

On the formulation of measures to enhance the further development of wine-related businesses in Hong Kong,

- (a) Has the Administration assessed the long-term demand for wine storage facilities? Currently, how many wine storage facilities are there in Hong Kong and how much space do they take up? What is the proportion of those located in factory buildings? Can the existing facilities meet the demand of the industry? How many additional storage facilities will be provided in the next few years between 2010-11 and 2012-13?
- (b) What is the progress of making use of historic buildings (such as the Haw Par Mansion) for wine-related businesses?
- (c) What kinds of assistance are in place to help wine-related businesses to develop wine cellars and wine tasting and dining facilities in factory buildings, with a view to creating more employment opportunities in Hong Kong?

Asked by : Hon. CHEUNG Yu-yan, Tommy

Reply :

- (a) We consider that how best to meet the demand for wine storage services should continue to be market driven. We do not have figures on the total number of wine storage facilities available in the territory, or for that matter the proportion of such facilities located in factory buildings. However, we have been in close contact with the industry to keep ourselves abreast of the business situation on the ground, including the demand for and supply of storage facilities. Since the duty exemption in 2008, there has been a significant growth in demand for wine storage facilities. In response, many companies have expanded their storage capacity and/or commissioned new facilities, through either converting general warehouses/cold stores or refurbishing industrial building units for wine storage purposes. The industry envisages that there

should be sufficient provisions in Hong Kong to meet overall demand for wine storage services.

- (b) Consistent with the overall policy objective of conserving and revitalizing historic buildings, the Government has been trying to identify individual historic buildings that may be suitable for commercial uses, including but not limited to wine-related businesses (e.g. auction, retail and wholesale, wine appreciation, food and beverage as well as storage). To test the market, the Development Bureau plans to put out the site of Haw Par Mansion through tendering later this year, with a view to granting the tenancy in a fair and open manner. Whether the site is eventually put to uses linked to wine-related businesses would depend on market response.
- (c) The Chief Executive announced in his Policy Address last year new initiatives to optimize the use of old industrial buildings through encouraging redevelopment and wholesale conversion of vacant or under-utilized industrial buildings. These measures, to be implemented by the Development Bureau/Lands Department from April this year, include lowering the threshold for allowing compulsory sale of old industrial buildings for redevelopment and exempting the payment of waiver fee for change of use of industrial buildings after wholesale conversion. Interested industry players may, in the light of market needs, consider submitting applications to facilitate the development of various business activities including wine-related businesses (e.g. wine tasting cum dining venues). We would monitor future applications in this respect. We would also invite our promotional agents (such as Invest Hong Kong) to reinforce the related messages (including highlighting the added room that the new policy may bring for the further development of wine-related businesses) when they present the opportunities that Hong Kong offers to interested investors.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)005**

Question Serial No.

1456

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 facilitation measures concerning customs clearance, the Administration has indicated that it will continue to explore other measures to strengthen Hong Kong's position as a wine trading and distribution hub which in turn will help boost employment. Please elaborate on the details and directions of such measures.

Asked by : Hon. CHEUNG Yu-yan, Tommy

Reply :

To help our industry tap the growing business opportunities emerging across Asia, the Government exempted the wine duty in February 2008 and had since rolled out a number of supportive measures. The measures include trade and investment promotion, facilitating the clearance of wine exported from Hong Kong to the Mainland, introduction of a certification scheme for wine storage facilities, manpower training and education, combating counterfeits, and collaboration with trading partners in promoting wine-related businesses.

Market response has so far been positive. Many wine-related companies have set up or expanded their businesses in Hong Kong. The policy has also helped boost economic activities in related areas such as tourism, catering and trade exhibitions. The surge in economic activities has brought direct economic benefits to Hong Kong, as well as added job opportunities at various levels.

Now that the General Administration of Customs has agreed to facilitate the clearance of wine imports from Hong Kong, we will move forward and further discuss with the General Administration of Quality Supervision, Inspection and Quarantine possible measures to expedite food safety inspections at boundary points.

We have signed cooperation agreements with seven wine-producing countries/regions to promote wine-related businesses. We are actively pursuing similar agreements with other trading partners as well as new areas of cooperation with the existing partners.

As for promotional events, the favourable response to the first Wine and Dine Festival last year has motivated the Hong Kong Tourism Board to expand the scale of the event this year and extend its duration to four days (from 28 to 31 October). New elements are being considered, including for example a wider range of wine appreciation courses. Building on past success, the Hong Kong Trade Development Council will continue to hold its International Wine and Spirits Fair this year (from 4 to 6 November). The number of exhibitors is expected to further increase from 525 last year to about 600 this year. This should help fortify Hong Kong's position as a regional hub for wine trading.

We will maintain our dialogue with the industry and take into account the views of relevant stakeholders when mapping out other practical supportive measures.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)006**

Question Serial No.

1457

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 co-ordination with the Hong Kong Tourism Board and relevant parties in 2010-11 to invigorate efforts to showcase Hong Kong as a premier destination for fine food and wine, please provide the relevant details, including the content of the programme, estimated expenditure, manpower required and the projected benefits.

Asked by : Hon. CHEUNG Yu-yan, Tommy

Reply :

The Hong Kong Tourism Board (HKTB) adopted the Hong Kong Food and Wine Year as the annual marketing theme in 2009, during which the first Hong Kong Wine and Dine Festival held in October last year had been well received by the travel trade, local residents and visitors. Building on last year's experience, HKTB will roll out the "Hong Kong Wine and Dine Month" promotion platform from end October to end November this year, with the focus on highlighting our diverse culinary culture and further showcasing Hong Kong as the premier destination for visitors to enjoy fine food and wine. The major activities are as follows:

- Repeat the Hong Kong Wine and Dine Festival at the West Kowloon Waterfront Promenade, with the duration extended from 3 days last year to 4 days this year (28 to 31 October), and invite more merchants from famous wine producing regions and the catering sector to take part in the event.
- Join hands with different local dining districts to organise wine and dine promotions, such as street parties in Lan Kwai Fong, SoHo, Knutsford Terrace etc.
- In collaboration with the travel and catering trades, develop and promote thematic activities, such as wine cellar tours, wine walks, wine buffets and cooking classes.
- Bundle wine and dine offers by catering outlets, and work with the hotel sector to roll out accommodation and dining privileges for visitors, encouraging them to come and enjoy Hong Kong's wine and dine experiences.

The estimated expenditure for the “Hong Kong Wine and Dine Month” activities is \$17 million. HKTB will seek sponsorships to fund part of the expenses. HKTB will deploy its existing manpower for planning, organising and publicising the overall thematic promotion, while the production of individual programmes will be outsourced to contractors.

The above promotions will highlight Hong Kong’s competitive edge as a wine and gourmet centre. They will not only generate greater business opportunities for the trade, but also reinforce Hong Kong’s reputation as a wine and dine centre in the long-term, hence attracting more visitors, stimulating tourism and related industries, and benefitting Hong Kong’s economy.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010



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

Reply Serial No.

**CEDB(CIT)007**

Question Serial No.

2389

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

Programme : All programmes

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 of the consultations on policy making and assessment under all programmes in the following format. Using the table below, please provide information on the consultations for which funds had been allocated in 2009-10:

Name/ subject of consulta tion	Revised estimate (\$)	Progress of consultation (under planning/ in progress/ completed)	Mode of consultation (e.g. by means of written submissions, consultation sessions, focus groups), number of consultation exercises, name of consultation organisations, number of people consulted/to be consultated	The Administration's follow-up actions on the consultation results and the progress made (if applicable)	For consultations already completed, were the results publicised? If so, what were the channels? If not, why not?
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Asked by : Hon. EU Yuet-mee, Audrey

Reply :

This Branch had not allocated any provision for consultations on policy making and assessment in 2009-10.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)008**

Question Serial No.

2390

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

Programme : All programmes

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 of the consultations on policy making and assessment under all programmes in the following format. Has provision been earmarked for holding consultations in 2010-11? If so, please provide the following details.

Name/ subject of consultation	Revised estimate (\$)	Progress of consultation (under planning/ in progress/ completed)	Mode of consultation (e.g. by means of written submissions, consultation sessions, focus groups), number of consultation exercises, name of organisations, and number of people consulted/to be consultated	For consultations scheduled for completion in the financial year 2010-11, will the results be publicised? If not, what are the reasons?
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Asked by : Hon. EU Yuet-mee, Audrey

Reply :

The consultation on policy making and assessment in 2010-11 is listed below:

Name/ subject of consultation	Revised estimate (\$)	Progress of consultation (under planning/ in progress/ completed)	Mode of consultation (e.g. by means of written submissions, consultation sessions, focus groups), number of consultation exercises, name of organisations, and number of people consulted/to be consulted	For consultations scheduled for completion in the financial year 2010-11, will the results be publicised? If not, what are the reasons?
Enhancing consumer protection against unfair trade practices	To be confirmed	Under planning	To be confirmed	Completion date to be confirmed

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)009**

Question Serial No.

0972

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

Subhead (No. & title):

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:

Regarding the item to “continue to monitor the long-term demand for convention and exhibition facilities in Hong Kong” mentioned under Matters Requiring Special Attention in 2010-11, the CEDB stated last year that it would consult the public on the Phase 3 Expansion of the Hong Kong Convention and Exhibition Centre, but has yet to proceed with it. Has CEDB assessed the time required for developing the new convention and exhibition facilities? When will the existing facilities reach their full capacity according to the growth rate of the industry? Has the Government ever monitored the situation where major conventions or exhibitions are shifted to other cities due to venue constraint?

Asked by: Hon. FANG Kang, Vincent

Reply:

When assessing the long-term demand for the convention and exhibition facilities in Hong Kong, we will take into account the result of a Government-commissioned consultancy study on the supply of and demand for exhibition facilities in Hong Kong as well as the findings of surveys on Hong Kong's convention and exhibition industry conducted or being conducted by other organizations. We have not made any decision on the construction of new facilities. We will conduct a public consultation at an appropriate time when there is a concrete proposal.

We are aware that at present, the supply of exhibition spaces at Hong Kong's two major exhibition venues are, to various extents, tight during certain time periods within purchasing seasons (especially April and October each year). However, we have not heard from any convention and exhibition organiser that its event was relocated to other cities because of venue constraints in Hong Kong.

Signature	_____
Name in block letters	<b>MISS YVONNE CHOI</b>
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)010**

Question Serial No.

0973

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 Government provided special funding in 2008 for the 3-year MICE promotion work. How is the progress of the promotion work? What are the benefits derived? At this stage, will the Government consider further its special funding for MICE promotion upon the expiry of 3 years?

Asked by : Hon. FANG Kang, Vincent

Reply :

In the 2008-09 Budget, an additional \$150 million was earmarked over the following five years to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital, and to seek to host more mega international conventions and exhibitions in Hong Kong. The Meetings and Exhibitions Hong Kong (MEHK) Office was established under the Hong Kong Tourism Board (HKTB) in November 2008, specialising in promoting MICE (Meetings, Incentive Travels, Conventions and Exhibitions) tourism. In 2010-11, MEHK will implement the following initiatives:

- Conducting a series of promotional activities in various target markets and working with government Economic and Trade Offices, Hong Kong Trade Development Council and Invest Hong Kong to enhance the brand image of Hong Kong as a premier MICE destination;
- Assisting event organisers to identify and bid for large-scale MICE events, and liaising with organisations of industries with growth potential, so as to proactively lobby and bid for more MICE events to be staged in Hong Kong;
- Promoting MICE products and services provided by the local trade to overseas major organisers and event management companies of MICE events through participating in overseas trade shows, organising familiarisation visits and seminars for the trade as well as strengthening MEHK's website;

- Providing one-stop professional support to MICE event organisers, including site inspection, promotion, itinerary planning and hospitality programmes, as well as consultation and referral services for various support and logistical needs;
- Offering a wide range of hospitality arrangements, including setting up visitor service counters in exhibition venues and dedicated immigration counters at the airport, with a view to providing visitors of major MICE events with convenience; and
- Partnering with the travel trade to offer tourism information, products and support services to MICE visitors, and expanding value-added offers on airfares, shopping, sightseeing and dining so as to enrich their travel experience in Hong Kong.

In 2009, MEHK provided support to 1 090 MICE events. Amongst them, 590 have been secured following MEHK's proactive lobbying efforts and would be held in Hong Kong in 2009-13. These new MICE events are expected to bring in over 150 000 additional MICE visitors. Under the concerted efforts of the trade and HKTB, Hong Kong received 1.16 million overnight MICE visitors in 2009, a slight decrease of 0.2% over 2008 despite the global economic crisis. Hong Kong also won the titles of "Favourite City in the World" and "Best Business City in the World" in a number of polls organised by the MICE trade.

In 2010-11, the Government will continue to allocate \$30 million, out of the additional \$150 million earmarked in the 2008-09 Budget for strengthening MICE promotion, to HKTB for carrying out the above tasks. Upon expiry of this additional funding in 2012-13, we will consider the appropriate way forward in accordance with the future development needs of MICE tourism.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)011**

Question Serial No.

3068

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 :

Representatives of the Hong Kong Tourism Board (HKTB) pointed out earlier at a meeting of the Legislative Council Panel on Economic Development (ED Panel) that the Government had not made "full" provisions for HKTB for the two years in a row. There has been an annual shortfall of \$30 million over the past two years. Please explain the shortfall and advise whether it will be made up in 2010-11. The Estimates shows that the Government has earmarked \$499.5 million for HKTB in 2010-11, which is about 0.4% less than the original and revised estimate for last year (i.e. 2009-10). The figure also differs from the estimated \$367.9 million as provided by HKTB to ED Panel. Please explain these differences. Given that the neighbouring regions are actively developing the tourism sector, will the Government consider increasing the provision for HKTB to enable it to achieve its target of increasing our visitor arrivals by 5.2% in 2010?

Asked by : Hon. FANG Kang, Vincent

Reply :

Each year, in deciding the financial provision for the Hong Kong Tourism Board (HKTB), the Government carefully examines the HKTB's annual business plan and budget. In addition to recurrent subvention, the Government will also consider providing the HKTB with non-recurrent additional funding for implementing specific marketing initiatives. In recent years, additional funding was provided to the HKTB for the promotion on the Beijing Olympics, the Meetings, Incentive Travels, Conventions and Exhibitions (MICE) business, the Wine and Dine Festival and the 2010 Shanghai Expo.

Besides subvention from the Government, the HKTB's funding sources also include commercial sponsorship and advertising income, which the HKTB will actively develop further. In addition, we encourage the HKTB to continuously re-engineer its work process, tap new sources of income, economise on expenditures, and adopt a prudent financial approach so as to ensure proper use of resources.

In preparing its annual work plan, marketing strategies and projection of visitor arrivals , the HKTB has already taken into account the opportunities and challenges (including the tourism development in neighbouring regions) for Hong Kong's tourism industry, as well as the resources available for the HKTB in the financial year.

The amount of HK\$367.9 million mentioned in the 2010-11 work plan submitted by the HKTB to the ED Panel is the estimated budget for its marketing activities. It is therefore different from the Government financial provision of HK\$499.5 million shown in the Controlling Officer's Report.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010



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

Reply Serial No.

**CEDB(CIT)012**

Question Serial No.

3069

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 :

Under Programme (6) Travel and Tourism, the Government will inject \$12 million into the Mega Events Fund (MEF) due to the increased cash flow requirement for the MEF. Please provide information on the vetting of funding applications to the MEF in 2009-10.

Asked by : Hon. FANG Kang, Vincent

Reply :

The Mega Events Fund was established in May 2009 following funding approval of the Finance Committee of the Legislative Council. Since then, a maximum sum of \$27.2 million has been approved to support seven mega arts, cultural and sports events to be held in Hong Kong. On top of attracting more visitors, stimulating spending and creating employment, mega events can also add colour and vibrancy to Hong Kong, raise Hong Kong's international profile and promote Hong Kong as the "Events Capital of Asia".

Details of the seven projects and their respective upper limit of funding are provided in the table below. As the organisers are required to fulfil funding conditions and return any operating surplus to the Government, the actual amount of funding can only be determined after project completion and Government's scrutiny of the audited accounts and evaluation reports submitted by the organisers.

<b>Project title</b>	<b>Nature</b>	<b>Time</b>	<b>Upper limit of funding</b>
Swire "Symphony Under the Stars"	Large-scale outdoor classical concert	13 November 2009	\$1.4 million
Hong Kong Tennis Classic 2010	International tennis tournament	6-9 January 2010	\$9 million

<b>Project title</b>	<b>Nature</b>	<b>Time</b>	<b>Upper limit of funding</b>
Mui Wo Water Lantern and Sky Lantern Festival	Traditional cultural activity	26-29 March 2010	\$1.5 million
Hong Kong 2010 International a cappella Festival	Large-scale musical festival	27 March - 22 April 2010	\$0.8 million
Hong Kong Musical Festival	Large-scale musical opera festival	29 March - 21 April 2010	\$2.5 million
Hope and Glory	Large-scale multimedia arts exhibition	8 April - 30 May 2010	\$2 million
Louis Vuitton Hong Kong Trophy	International yacht racing competition	9-23 January 2011	\$10 million

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

Permanent Secretary for Commerce and  
Economic Development

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

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)013**

Question Serial No.

0943

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 the Administration will continue to attract and support large-scale arts, culture and sports events through the Mega Events Fund, what events are planned? When will they be held? What will be the estimated expenditure?

Asked by : Hon. FOK Tsun-ting, Timothy

Reply :

The Mega Events Fund was established in May 2009 following funding approval of the Finance Committee of the Legislative Council. Since then, a maximum sum of \$27.2 million has been approved to support seven mega arts, cultural and sports events to be held in Hong Kong. On top of attracting more visitors, stimulating spending and creating employment, mega events can add colour and vibrancy to Hong Kong, raise Hong Kong's international profile and promote Hong Kong as the "Events Capital of Asia".

Details of the seven projects and their respective upper limit of funding are provided in the table below. As the organisers are required to fulfil funding conditions and return any surplus to the Government, the actual amount of funding can only be determined after project completion and Government's scrutiny of the audited accounts and evaluation reports submitted by the organisers.

<b>Project title</b>	<b>Nature</b>	<b>Time</b>	<b>Upper limit of funding</b>
Swire "Symphony Under the Stars"	Large-scale outdoor classical concert	13 November 2009	\$1.4 million
Hong Kong Tennis Classic 2010	International tennis tournament	6-9 January 2010	\$9 million

<b>Project title</b>	<b>Nature</b>	<b>Time</b>	<b>Upper limit of funding</b>
Mui Wo Water Lantern and Sky Lantern Festival	Traditional cultural activity	26-29 March 2010	\$1.5 million
Hong Kong 2010 International a cappella Festival	Large-scale musical festival	27 March - 22 April 2010	\$0.8 million
Hong Kong Musical Festival	Large-scale musical opera festival	29 March - 21 April 2010	\$2.5 million
Hope and Glory	Large-scale multimedia arts exhibition	8 April - 30 May 2010	\$2 million
Louis Vuitton Hong Kong Trophy	International yacht racing competition	9-23 January 2011	\$10 million

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)014**

Question Serial No.

2276

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 :

It is mentioned under “Matters Requiring Special Attention in 2010-11” that the Administration will “seek to introduce the Competition Bill into the Legislative Council”. Will the Administration inform this Committee of the preliminary direction and contents of the Bill and the estimated time at which the Bill will be introduced into the Legislative Council?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Competition Bill under preparation contains general prohibitions on any agreements between undertakings and abuse of a substantial degree of market power that have the object or effect of preventing, restricting or distorting competition. The Bill will provide for a judicial enforcement model under which an independent Competition Commission will be established to investigate and prosecute anti-competitive conduct, whilst the Competition Tribunal established within the Judiciary will adjudicate on infringements, hear private actions and apply remedies. Appeals from determinations of the Competition Tribunal will be handled by the Court of Appeal.

We are seeking to complete the drafting work of the Bill, and at the same time working with various bureaux and departments to determine the coverage and contents of relevant provisions and to finalize the details of the Bill. Although the Competition Bill is very complex, we still strive to maintain our original target on the introduction of the Bill into the Legislative Council.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

Examination of Estimates of Expenditure 2010-11

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

Reply Serial No.

**CEDB(CIT)015**

Question Serial No.

2277

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

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 :

In the Analysis of Financial and Staffing Provision, it is stated that "Provision for 2010-11 is \$1.7 million (17.3%) higher than the revised estimate for 2009-10. This is mainly due to the provision required for the creation of one position of Political Assistant". Please inform this Committee of the latest progress of recruitment and the date when the appointee is expected to report for duty.

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The vacancy of the Political Assistant in the Commerce and Economic Development Bureau will be filled when a suitable candidate is identified.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)016**

Question Serial No.

0427

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

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:

During the Hong Kong Toys & Games Fair organised by the Hong Kong Trade Development Council (HKTDC) in mid-January 2010, some local manufacturers complained that the exhibition booths allocated to them were at less favourable locations, while the better located ones were reserved for mainland manufacturers. Given that the HKTDC's accounts are not subject to the Audit Commission's examination, how can the Government ensure that the funds provided for the HKTDC are used in assisting local manufacturers rather than businesses from elsewhere?

Asked by: Hon. HO Chun-yan, Albert

Reply:

The Hong Kong Trade Development Council (HKTDC)'s major objective for organising trade fairs is to provide an effective platform for Hong Kong's small and medium-sized enterprises to meet international buyers so that they could acquire more orders. Currently, there is a trend toward internationalisation and professionalism for trade fairs around the world. To attract more international buyers to come to the trade shows in Hong Kong, HKTDC fairs need to evolve along these two directions. In this connection, HKTDC's trade fairs increasingly showcase their exhibits in different product zones to which exhibitors are assigned on the basis of their product types. As regards the complaints concerning the locations of booths allocated to some Hong Kong companies at HKTDC's Toys & Games Fair held in January this year, HKTDC explained that the booths were allocated on the basis of classification of their products (the complainants were assigned to the "multiple toy products" zone). The allocations were not done on the basis of the countries of origin of exhibitors.

HKTDC is a statutory body established under the Hong Kong Trade Development Council Ordinance. Under the Ordinance, the annual programme of its proposed activities and budget estimates need to be approved by the Government. The Secretary for Commerce and Economic Development and her representatives also sit on the HKTDC Council and its Staff and Finance Committee (which scrutinises HKTDC's key financial and manpower matters).

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

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

Date 18.3.2010



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

Reply Serial No.

**CEDB(CIT)017**

Question Serial No.

0428

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

Subhead (No. & title):

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 criteria have been adopted for allocating a subvention of \$3,74.5 million to the Hong Kong Trade Development Council (HKTDC) in 2010-11? Subvention accounts for about 18% to 25% of the annual income of the HKTDC and most of its income comes from organising trade fairs. Why does the Government still have to provide the HKTDC with a subvention?

Asked by: Hon. HO Chun-yan, Albert

Reply:

The subvention to the Hong Kong Trade Development Council (HKTDC) is determined having regard to the Government's financial position, HKTDC's funding requirements and by way of reference to 60% of the total amount of trade declaration charges received in the preceding year.

HKTDC is a statutory organisation established under the Hong Kong Trade Development Council Ordinance. Its function is to promote Hong Kong's external trade, with particular reference to exports. In this connection, TDC has been assisting small and medium-sized enterprises (SMEs) in Hong Kong to explore business opportunities in markets all over the world. It has also been promoting Hong Kong's branded products and services by conducting or organising promotion activities such as trade fairs, business missions as well as international forums and expos etc. To help SMEs capture new opportunities, TDC also organises seminars and workshops regularly, produces trade and research publications and offers consultancy services for them. The Government considers that the annual subvention is necessary and will provide HKTDC with a stable income to finance its activities for promoting Hong Kong's enterprises and supporting SMEs.

Signature	_____
Name in block letters	MISS YVONNE CHOI
	Permanent Secretary for Commerce and Economic Development
Post Title	(Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)018**

Question Serial No.

0429

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 Matters Requiring Special Attention in 2010-11, it is stated that the HKTDC will continue to plan for Hong Kong Convention and Exhibition Centre Phase 3. Please give an elaboration of this project and the resources required.

Asked by: Hon. HO Chun-yan, Albert

Reply:

The Hong Kong Trade Development Council (HKTDC) has submitted to the Government a proposal for developing the Phase 3 of the Hong Kong Convention and Exhibition Centre at a nearby site. The Government is still examining the relevant issues (including its location, design, related planning issues as well as its impacts on the traffic, environment and other public facilities in the vicinity). The Government has not made any decision on the proposal.

The aforementioned work is part of the existing work of HKTDC and the relevant bureaux/departments. They will be absorbed by existing resources and additional provision is not required.

Signature \_\_\_\_\_

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

**MISS YVONNE CHOI**

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)019**

Question Serial No.

0430

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

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 :

Why is it necessary to appoint a Political Assistant at the annual remuneration of \$1.7 million in 2010-11? What is the scope of responsibilities of this Political Assistant? What qualifications and experience are required of this post? Through what channels will the Government recruit this Political Assistant? Will it be open recruitment? Is it possible for the work of the Political Assistant to be shared by existing officials of the Commerce, Industry and Tourism Branch of Commercial and Economic Development Bureau?

Asked by : Hon. HO Chun-yan, Albert

Reply :

The creation of a Political Assistant position in the Commerce and Economic Development Bureau was approved by the Finance Committee of the Legislative Council in December 2007. Since the position has not yet been filled, provision is earmarked under Head 152 to meet the expenses for appointment.

The Political Assistant to Secretary for Commerce and Economic Development is mainly responsible for providing political support and input to the Secretary and the Under Secretary, and conducting the necessary political liaison at the instruction of the Secretary and the Under Secretary, including the liaison with the media and various stakeholders.

In line with established practice, any appointment to the position will be made under the principle of meritocracy.

Since the political appointees need to subscribe to the Chief Executive's manifesto and be committed to assuming political responsibilities collectively for the governance of Hong Kong, the mode of open recruitment will not be appropriate.

Under the Political Appointment System, politically appointed officials and civil servants have different roles to play. As the nature of the work of the Political Assistant is fundamentally different from that of civil servants, the work could not be shared out by the civil servants in the Bureau.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)020**

Question Serial No.

0431

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 :

It is stated in Matters Requiring Special Attention in 2010-11 that the Branch 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 opening up new markets”. In this connection, please advise on the following:

(a) What are the projects and expenditure involved?

(b) Do such initiatives include providing support to Hong Kong manufacturers who relocate their production lines from Pearl River Delta to the northern part of Guangdong? If so, what will be done and what is the estimated expenditure?

Asked by : Hon HO Chun-yan, Albert

Reply :

(a) and (b) Through the following work, the Commerce and Economic Development Bureau gives encouragement to and assists Hong Kong enterprises in upgrading, restructuring and opening up new markets so as to adjust to changes in the Mainland’s policy on processing trade:

- maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand their concerns and views;
- maintaining close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to reflect the trade’s views on problems encountered in the process of developing the domestic sales market and in the course of upgrading and restructuring, and discuss proposed supportive measures for the trade. We have also been appealing to the Mainland to consult the trade and fully consider their views before promulgation of new policies and legislation, and to give the trade sufficient time for transition and adjustment;
- organising symposiums and seminars through the Trade and

Industry Department (TID) and Mainland Offices to enhance the trade's understanding of new policies, legislation and the business environment;

- disseminating information on trade-related policies, legislation and measures to Hong Kong enterprises through TID and Mainland Offices by means of circulars and newsletters. TID's website includes a dedicated page on business information on Mainland China, with hyperlinks to the economic and trade websites of 170 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to trade-related information on the Mainland;
- organising trade delegations to visit the Mainland with a view to enhancing the trade's understanding of Mainland policies and market development;
- providing Hong Kong enterprises with support services on technological upgrading, improving management, branding and market development, etc., and also Mainland market information through the Hong Kong Productivity Council (HKPC) and the Hong Kong Trade Development Council; and
- with regard to financial support, assisting small and medium enterprises (SMEs) through the "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, restructuring and business relocation.

The above is our ongoing work. Our work priorities for each year may be different in light of the prevailing economic and business environment and concerns expressed by the trade.

Since there is still uncertainty over the economic situation this year, we have written to the Mainland authorities to convey the trade's wish for the continued implementation of the supportive measures launched by the Mainland in 2008-09 and 2009-10. We will also follow up on the other proposals from the trade relating to business facilitation and promotion of domestic sales. Furthermore, we are discussing with HKPC collaboration opportunities relating to experience sharing on upgrading and restructuring amongst enterprises.

The above-mentioned work, which falls within the existing duties of this Bureau and relevant Departments and organisations, will be done with existing resources. Funding for the "SME Funding Schemes" has already been approved.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)021**

Question Serial No.

0432

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:

Will the Administration undertake any work, surveys or studies in 2010-11 to monitor the long-term demand for convention and exhibition facilities in Hong Kong in relation to its effort to "continue to monitor the long-term demand for convention and exhibition facilities in Hong Kong and plan for the provision of additional quality facilities when needed"? What are the resources required? Any plans to be launched for the provision of additional quality facilities? If yes, what are the projects included? What is the estimated expenditure?

Asked by: Hon. HO Chun-yan, Albert

Reply:

When assessing the long-term demand for the convention and exhibition facilities in Hong Kong, we will take into account the result of a Government-commissioned consultancy study on the supply of and demand for exhibition facilities in Hong Kong as well as the findings of surveys on Hong Kong's convention and exhibition industry conducted or being conducted by other organizations. We are also examining the feasibility of expanding the Hong Kong Convention and Exhibition Centre and the AsiaWorld-Expo. However, we have not made any decision on the construction of new facilities. We will conduct a public consultation at an appropriate time when there is a concrete proposal.

The aforementioned work is part of the existing work of Bureau and other related bureaux/departments. It will be absorbed by the existing resources and no additional provision is required.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI  
Permanent Secretary for Commerce  
and Economic Development

Post Title (Commerce, Industry and Tourism)

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)022**

Question Serial No.

0616

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

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 :

Please list out the estimated payroll costs for the posts of Secretary for Commerce and Economic Development, Under Secretary and Political Assistant in 2010-11 respectively.

Asked by : Hon. HO Chun-yan, Albert

Reply :

The provisions earmarked for the salary provision for the Secretary, the Under Secretary and the Political Assistant in the 2010-11 Estimates under Head 152 are as follows :

	( \$ million )
Secretary for Commerce and Economic Development	3.38
Under Secretary for Commerce and Economic Development	2.54
Political Assistant to Secretary for Commerce and Economic Development	1.86

Signature \_\_\_\_\_  
Name in block letters MISS YVONNE CHOI  
Post Title Permanent Secretary for  
Commerce and Economic Development  
(Commerce, Industry and Tourism)  
Date 18.3.2010



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

Reply Serial No.

**CEDB(CIT)023**

Question Serial No.

0460

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

Regarding the consultancy studies commissioned by the Bureau for the purposes of formulating and assessing policies (if any), please provide the relevant information on the funded projects related to public policy research and strategic public policy research from 2007-08 to 2009-10 in the following format:

Name of Consultant	Title, content and objective of the project	Consultancy Fee (\$)	Start Date	Progress of Studies (under planning/ in progress/ completed)	Follow-up actions on the studies taken by the Administration 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?

Asked by : Hon. HO Sau-lan, Cyd

Reply :

The studies on public policy and strategic public policy conducted or to be conducted during the period from 2007-08 to 2009-10 are listed as below:

2007-08:

<b>Name of Consultant</b>	<b>Title, content and objective of the project</b>	<b>Consultancy Fee (\$)</b>	<b>Start Date</b>	<b>Progress of Studies (under planning/ in progress/ completed)</b>	<b>Follow-up actions on the studies taken by the Administration and their progress (if any)</b>	<b>If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?</b>
Arculli, Fong & Ng, Gilbert + Tobin	Consultancy Study on Preparation of a Cross-Sector Competition Law  To provide expert services in relation to the introduction of a competition law	10,152,000	June 2007	In progress	In respect of the details of the proposed law, the Consultant is studying the overseas experience.	Not applicable.
PricewaterhouseCoopers Limited	Consultancy Study on Investment Promotion in Hong Kong  As a follow up study on previous cost-effectiveness study on InvestHK to review the strategy for promotion of inward investment	320,000	October 2007	In progress	The Government is following up with the Consultant on the preliminary findings of the study.	Not applicable.
iASPEC Services Limited	Review the technical architecture and the mode of operation of Government Electronic Trading Services	656,640	December 2006	Completed in June 2007	The Government has adopted the relevant recommendations of this report for preparing the tender document for	No, the consultancy report contains sensitive market information, such as the financial

Name of Consultant	Title, content and objective of the project	Consultancy Fee (\$)	Start Date	Progress of Studies (under planning/ in progress/ completed)	Follow-up actions on the studies taken by the Administration 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?
	(GETS) (carrying through the consultancy started in 2006-07)				the provision of GETS post-2009.  We also briefed the Panel on Commerce and Industry of the Legislative Council on the improvement measures in November 2007 and January 2009.	information of the service providers and their commercial assessment of the future GETS market.
Office of the Telecommunication Authority	Review the regulatory framework of GETS (carrying through the consultancy started in 2006-07)	891,000	March 2007	Completed in September 2007	Ditto	No, the consultancy report contains sensitive market information, such as the market share and marketing strategies of the service providers.
Evans & Peck (HK) Co Ltd	To assess the commercial and financial viability of the conceptual design of the Aberdeen Tourism project	129,800	January 2008	Completed in March 2009	Reported to the Panel on Economic Development of the Legislative Council and the Southern District Council on the latest progress of the project and the results of the consultancy study in April	Executive summary of the consultancy report has been uploaded onto Tourism Commission's homepage.

Name of Consultant	Title, content and objective of the project	Consultancy Fee (\$)	Start Date	Progress of Studies (under planning/ in progress/ completed)	Follow-up actions on the studies taken by the Administration 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?
					2009. Now planning for the implementation of the related improvement works.	
UBS AG	To provide initial advice on the long-term financial arrangement for the Hong Kong Disneyland project	1,250,000	August 2007	Completed	The Government has considered the advice from the Consultant.	The advice from the Consultant is for Government's internal consideration.

2008-09:

Name of Consultant	Title, content and objective of the project	Consultancy Fee (\$)	Start Date	Progress of Studies (under planning/ in progress/ completed)	Follow-up actions on the studies taken by the Administration 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?
Arthur D. Little Asia Pacific Ltd.	Demand and supply of exhibition facilities in Hong Kong	990,360	March 2008	Completed	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.	The results of the consultancy study is for Government's internal reference at this stage.
Arculli, Fong & Ng, Gilbert + Tobin	<p>Consultancy Study on Preparation of a Cross-Sector Competition Law</p> <p>To provide expert services in relation to the introduction of a competition law (continuing the consultancy study in 2007-08)</p>	4,541,000	June 2007	In progress	The Government is preparing the Competition Bill based on the advice of the consultant.	Not applicable.

Name of Consultant	Title, content and objective of the project	Consultancy Fee (\$)	Start Date	Progress of Studies (under planning/ in progress/ completed)	Follow-up actions on the studies taken by the Administration 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?
PricewaterhouseCoopers Limited	<p>Consultancy Study on Investment Promotion in Hong Kong</p> <p>As a follow up study on previous cost-effective-ness study on InvestHK, to review the strategy for promotion of inward investment (continuing the consultancy study in 2007-08)</p>	1,760,000	October 2007	In progress	The Government is following up with the Consultant on the findings of the study.	Not applicable.
Business Strategies Group	To survey the demand and supply situation of manpower in and the training opportunities for the MICE and cruise tourism sectors in Hong Kong	1,105,000	September 2008	Completed in March 2009	We have reported the findings to the Steering Committee on MICE and the Advisory Committee on Cruise Industry.	The report has been distributed among the training institutions and related organisations in Hong Kong.

Name of Consultant	Title, content and objective of the project	Consultancy Fee (\$)	Start Date	Progress of Studies (under planning/ in progress/ completed)	Follow-up actions on the studies taken by the Administration 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?
Evans & Peck (HK) Co Ltd	To assess the commercial and financial viability of the conceptual design of the project (continuing the consultancy study in 2007-08)	519,200	January 2008	Completed in March 2009	Reported to the Panel on Economic Development of the Legislative Council and the Southern District Council on the latest progress of the project and the results of the consultancy study in April 2009. Now planning ahead the related improvement works.	Executive summary of the consultancy report has been uploaded onto Tourism Commission's homepage.
UBS AG	To provide initial advice on the long-term financial arrangement for the Hong Kong Disneyland project (continuing the consultancy study in 2007-08)	1,250,000	August 2007	Completed	The Government has considered the advice from the Consultant.	The advice from the Consultant is for Government's internal consideration.

2009-10:

<b>Name of Consultant</b>	<b>Title, content and objective of the project</b>	<b>Consultancy Fee (\$)</b>	<b>Start Date</b>	<b>Progress of Studies (under planning/ in progress/ completed)</b>	<b>Follow-up actions on the studies taken by the Administration and their progress (if any)</b>	<b>If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?</b>
Arthur D. Little Asia Pacific Ltd.	Demand and supply of exhibition facilities in Hong Kong (updating the 2008 study to take into account the impact of financial crisis.)	267,300	March 2009	Completed	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.	The result of the consultancy study is for Government's internal reference at this stage.
Arculli, Fong & Ng, Gilbert + Tobin (Arculli, Fong & Ng has been renamed as King & Wood since 15 July 2009)	Consultancy Study on Preparation of a Cross-Sector Competition Law To provide expert services in relation to the introduction of a competition law (continuing the consultancy study in 2008-09)	3,309,000	June 2007	In progress	The Government is preparing the Competition Bill with the advice and support of the consultant.	Not applicable.



Name of Consultant	Title, content and objective of the project	Consultancy Fee (\$)	Start Date	Progress of Studies (under planning/ in progress/ completed)	Follow-up actions on the studies taken by the Administration 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?
PricewaterhouseCoopers Limited	Consultancy Study on Investment Promotion in Hong Kong As a follow up study on previous cost-effective-ness study on InvestHK, to review the strategy for promotion of inward investment (continuing the consultancy study in 2008-09)	1,120,000	October 2007	Completed in April 2009	Invest Hong Kong has worked out a workplan to implement some of the key recommendations made in the consultancy study report, to strengthen its work on inward investment promotion.  The Panel on Commerce and Industry of the Legislative Council was also briefed in January 2010 on the key findings and recommendations made by the Consultant.	Details and recommendations of the consultancy study report was reported to the Commerce and Industry Panel of the Legislative Council on 19 January 2010.
Evans & Peck (HK) Co Ltd	To assess the commercial and financial viability of the conceptual design of the project (the consultancy study was completed in 2008-09 and the outstanding fee was settled in 2009-10)	735,000	January 2008	Completed in March 2009	Reported to the Panel on Economic Development of the Legislative Council and the Southern District Council on the latest progress of the project and the results of the consultancy study in April 2009. Now planning ahead the related improvement works.	Executive summary of the consultancy report has been uploaded onto Tourism Commission's homepage.

Signature

Name in block letters

MISS YVONNE CHOI

Post Title

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

Date

18.3.2010

Examination of Estimates of Expenditure 2010-11

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

Reply Serial No.

**CEDB(CIT)024**

Question Serial No.

0461

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

Is there any project for which provision has been allocated for conducting consultancy study in 2010-11? If yes, please provide the following information:

Name of Consultant	Title, content and objective of the project	Consultancy Fee (\$)	Start Date	Progress of Studies (under planning/ in progress/ completed)	Will the studies be released to the public if they are expected to be completed in 2010-11? If yes, through which channels? If no, what are the reasons?

Asked by : Hon. HO Sau-lan, Cyd

Reply :

Provision has been allocated for conducting the following consultancy study in 2010-11:

<b>Name of Consultant</b>	<b>Title, content and objective of the project</b>	<b>Consultancy Fee (\$)</b>	<b>Start Date</b>	<b>Progress of Studies (under planning/ in progress/ completed)</b>	<b>Will the studies be released to the public if they are expected to be completed in 2010-11? If yes, through which channels? If no, what are the reasons?</b>
King & Wood, Gilbert + Tobin	Consultancy Study on Preparation of a Cross-Sector Competition Law  To provide expert services in relation to the introduction of a competition law (continuing the consultancy study in 2009-10)	1,300,000	June 2007	In progress	Not applicable

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)025**

Question Serial No.

1967

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

Please advise on the actual amount of resources deployed by the Administration for the following activities in 2008-09 and 2009-10 and the estimated amount of resources reserved for them in 2010-11, as well as the contents of the activities and their policy objectives:

- (a) the expenditure incurred by local officials for their duty visits to, and exchange activities and meetings in, the Mainland;
- (b) the expenditure on the exchange activities, entertainment and meetings with Mainland officials and authorities in Hong Kong;
- (c) the expenditure incurred by local officials for their overseas duty visits, exchange activities and meetings; and
- (d) the expenditure on the exchange activities, entertainment and meetings with overseas officials and authorities in Hong Kong.

Asked by : Hon. HO Sau-lan, Cyd

Reply :

- (a) In 2008-09, 2009-10 and 2010-11, the provision used/reserved for the expenditure on duty visits to, and exchange activities and meetings in, the Mainland are about \$4.0 million, \$1.8 million and \$2.3 million respectively. The activities are mainly study visits, participating in trade fairs, and attending conferences and meetings.
- (b) In 2008-09, 2009-10 and 2010-11, the provision used/reserved for the expenditure on seminars, entertainment and meetings with Mainland officials and authorities in Hong Kong are about \$0.7 million, \$0.4 million and \$0.5 million respectively. The activities are mainly organising seminars and meetings, as well as hosting lunches/dinners in Hong Kong for Mainland officials.

The policy objectives of the activities as mentioned in (a) and (b) above are mainly to enhance and develop trade and investment ties with the Mainland, and promote Hong Kong's tourism.

- (c) In 2008-09, 2009-10 and 2010-11, the provision used/reserved for the expenditure incurred by local officials for their overseas duty visits, exchange activities and meetings are about \$1.5 million, \$1.7 million and \$1.3 million respectively. The activities are mainly visits, participating in meetings, and meeting overseas officials.
- (d) In 2008-09, 2009-10 and 2010-11, the provision used/reserved for the expenditure on the exchange activities, entertainment and meetings with overseas officials and authorities in Hong Kong are about \$0.03 million, \$0.06 million and \$0.06 million respectively. The activities are mainly hosting lunches/dinners in Hong Kong for overseas officials.

The policy objectives of the activities as mentioned in (c) and (d) above are mainly to enhance and develop trade and investment ties with foreign countries, and promote Hong Kong's tourism.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)026**

Question Serial No.

0151

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 Government indicates that it has “embarked on a review on the operation of the Travel Industry Council of Hong Kong (TIC)” during 2009-10 and would “work with the trade to improve the operation and increase the transparency of the TIC” in 2010-11. In this connection, what follow-up action has been undertaken by the Government? Has the Government considered if the TIC should become a statutory body and be subject to value-for-money audit?

Asked by : Hon. IP LAU Suk-ye, Regina

Reply :

The Travel Industry Council of Hong Kong (TIC) has a membership that covers all local licensed travel agents. As an integral part of the regulatory mechanism for travel agents in Hong Kong, the TIC's scope of work includes drawing up codes of good practice for the travel sector as well as handling complaints and non-compliance cases. In response to the motion passed at the meeting of the Legislative Council Panel on Economic Development (ED Panel) on 16 July 2009, the government is reviewing the operation of the TIC. In fact, the TIC has already implemented various new initiatives in recent months to enhance the transparency of its operation and internal governance. These include uploading the agendas and minutes of TIC's meetings to its website for members' reference and strengthening the participation of Government and representatives from non-trade sectors in its various committees.

We will report to the ED Panel on the outcome of the review and continue to work with the tourism sector and the TIC to follow up on the review findings, to ensure that the TIC will contribute as much as possible to the development of our tourism industry.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)027**

Question Serial No.

1402

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:

Regarding the policy of “continuing to monitor the long-term demand for convention and exhibition facilities in Hong Kong and planning for the provision of additional quality facilities when needed”, will the Government fully utilise the exhibition facilities of the AsiaWorld-Expo before constructing new ones?

Asked by: Hon. IP LAU Suk-yee, Regina

Reply:

The Government agrees that it is important to make better use of the existing convention and exhibition facilities in Hong Kong. In this connection, we have been encouraging exhibition organisers (including Hong Kong Trade Development Council) to use the AsiaWorld-Expo (AWE) for their events. We have also taken steps to assist in the successful staging of large-scale international conventions and exhibitions held at AWE. Before deciding on the construction of any new exhibition facilities, we will consider all relevant factors, including the additional 100,000 square metres of exhibition space to be provided by AWE Phase 1 and Phase 2 and the timing of their availability.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010



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

Reply Serial No.

**CEDB(CIT)028**

Question Serial No.

1403

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

Subhead (No. & title) :

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 implement a holistic strategy to deepen our penetration in the Mainland domestic market and how will it assist SMEs to acquire a first mover advantage in the global economic recovery? Please explain in detail.

Asked by: Hon. IP LAU Suk-yee, Regina

Reply:

To implement a holistic strategy to deepen our penetration into the Mainland's domestic market and assist our small and medium-sized enterprises (SMEs) in acquiring a first-mover advantage in the global economic recovery, the Hong Kong Trade Development Council (HKTDC) will adopt the following measures in 2010-11:

Implement a holistic strategy to deepen our penetration into the Mainland domestic market

In 2010-11, the Hong Kong Trade Development Council (HKTDC) will continue to help Hong Kong companies access the Mainland domestic market, and expand its B2C activities targeting Mainland consumers. For example, "Style Hong Kong" promotions will be organised in Fuzhou, Shenyang, Shanghai, Jinan and Guangzhou to enhance brand awareness of Hong Kong products. In addition, promotion activities will be held at major trade fairs in the Mainland to connect Hong Kong companies with Mainland buyers.

Riding on the success of the new "Design Gallery" shop opened in Beijing last year, HKTDC will seek to open similar shops in the Mainland. In view of the increasing popularity of online shopping among Mainland consumers, HKTDC will launch an online "Design Gallery" shop in addition to the "Design Gallery" stores to expand the sales channel for Hong Kong products and enhance images of our brands.

Apart from promotion activities, HKTDC will organise a series of seminars and workshops on major difficulties Hong Kong SMEs are facing in their operation on the Mainland. Market information on different Mainland cities and industries will also be provided to SMEs on a regular basis.

Assist our SMEs in acquiring a first-mover advantage in the global economic recovery

With the expected gradual recovery of the global economy in 2010-11, HKTDC will adopt various measures to help Hong Kong SMEs gain a competitive edge through a first-mover advantage.

As the near-term prospect of emerging markets are expected to be more promising when compared to the mature markets, HKTDC will intensify its promotion efforts in the former. For example, it will organise industry-specific and cross-sector business missions to countries and regions with more potential for development, including the ASEAN countries, Mexico and Brazil in Latin America, as well as Russia. It will step up its promotion efforts in India and stage its “Lifestyle Expo” again in Warsaw, Poland. It will also set up consultant offices in Istanbul, Turkey and Jakarta, Indonesia to support its increased activities in emerging markets.

The expected economic recovery will give rise to new opportunities for Hong Kong’s SMEs. To this end, HKTDC will launch a new SME start-up programme to offer assistance to those who wish to start up their own businesses. The Business InfoCentre of HKTDC will be re-positioned as an SME service centre offering various support services for SMEs. In addition to the annual “Entrepreneur Day” and the “World SME Expo”, HKTDC will organise year-round business matching and networking activities to present SMEs with more business opportunities.

HKTDC will freeze the basic participation fees for its events and services. Hong Kong’s SMEs, which are the major users of HKTDC’s services, will be the major beneficiaries. HKTDC’s will also continue the operation of its “Buyers Sponsorship Programme” in order to attract more overseas buyers to attend trade fairs in Hong Kong. The amount of estimated expenditure is yet to be approved by the Council of HKTDC.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ MISS YVONNE CHOI

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

Date \_\_\_\_\_ 18.3.2010

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

Reply Serial No.

**CEDB(CIT)029**

Question Serial No.

1404

Head: 152 Government Secretariat: Subhead (No. &  
Commerce and Economic title):  
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:

With regard to the Hong Kong Convention and Exhibition Centre Phase 3 project planned by the Hong Kong Trade Development Council, please advise this Committee of the details, progress and schedule of the works under preparation.

Asked by: Hon. IP LAU Suk-yee, Regina

Reply:

On Hong Kong Trade Development Council's proposal for a Phase 3 development of the Hong Kong Convention and Exhibition Centre at a nearby site, the Government is still examining the relevant issues (including its location, design, related planning issues as well as its impacts on the traffic, environment and other public facilities in the vicinity). The Government has not made any decision on the proposal and timetable. We will conduct a public consultation at an appropriate time when there is a concrete proposal.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

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

Date 18.3.2010



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

Reply Serial No.

**CEDB(CIT)031**

Question Serial No.

1308

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 :

It is stated that the Tourism Board will continue to maintain a diversified market portfolio during 2010-11. Please provide the following information:

- (a) Specify the places referred as the 18 top markets and the percentage of annual visitor arrivals from each of these places.
- (b) Specify the places referred as emerging markets; the specific measures taken to promote Hong Kong tourism in these places and the expenditure involved; and the expected annual increase in visitor arrivals and economic benefits to be generated from these emerging markets.

Asked by : Hon. IP Wai-ming

Reply :

- (a) The coverage of the top 18 top source markets and their respective share of visitor arrivals in 2009 are as follows:

<b>18 Top Source Markets</b>	<b>Percentage of Total Visitor Arrivals in 2009 (%)</b>
<b><i>Growth Markets</i></b>	
The Mainland	60.7%
Taiwan	6.8%
Australia	2.0%
South Korea	2.1%
Philippines	1.9%
<b><i>Emerging Markets</i></b>	
India	1.2%
Middle East	0.6%
Russia	0.1%

<b><i>Established Markets</i></b>	
United States	3.6%
Japan	4.1%
United Kingdom	1.7%
Canada	1.2%
Singapore	2.1%
<b><i>Secondary Markets</i></b>	
Malaysia	1.5%
Germany	0.7%
Thailand	1.3%
France	0.7%
Indonesia	1.2%
<b>Total</b>	<b>93.5%</b>

- (b) Emerging markets include India, the Middle East and Russia. The HKTB's marketing strategies in 2010-11 for these three markets are summarised below:

### **India**

- promote tourism products for the family segment in Mumbai and New Delhi; collaborate with cruise companies to promote fly/cruise packages at major consumer fairs; and
- proactively develop MICE (Meetings, Incentive Travels, Conventions and Exhibitions) tourism, particularly for corporate meetings and incentive travels. Organise familiarisation visits and seminars for the Indian travel trade, so as to encourage major corporations and event organisers to stage their activities in Hong Kong.

### **The Middle East**

- focus promotions on four member states of the Gulf Cooperation Council, namely United Arab Emirates (Abu Dhabi and Dubai), Saudi Arabia, Bahrain and Qatar, targeting the family segment and foreign young professionals stationed in the Middle East; and develop and promote itineraries covering Hong Kong and Pearl River Delta so as to attract more visitors from the Middle East to visit Hong Kong by multi-destination travels.

### **Russia**

- leveraging on the visa free arrangement for Russian travellers to visit Hong Kong, organise delegations comprising representatives from the tourism trade to visit St. Petersburg and Moscow to capture growing opportunities and business matching, targeting business travellers and the young segment; and
- co-operate with the Hainan province to promote to the Russian trade the tourism strengths of Hong Kong and Hainan (i.e. itineraries combining sun and beach, and shopping), attracting Russian travellers to make combined visits to the two destinations.

The promotion expenditure involved in these three markets and the expected increase in visitor arrivals and economic benefits to be generated for Hong Kong are as below:

	<b>2010-11 Proposed Marketing Expenditure</b> (HK\$ million)	<b>Estimated Visitor Arrivals in 2010</b> (Increase as compared to 2009)	<b>Estimated Visitor Spending in 2010</b> (HK\$ million) (Increase as compared to 2009)
India	10.0	419 000 (+14.2%)	1,161 (+20.4%)
Middle East	4.3	192 000 (+10.0%)	655 (+10.3%)
Russia	4.1	56 000 (+30.0%)	398 (+34.4%)

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

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

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)032**

Question Serial No.

1824

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:

Regarding the plan for Hong Kong Convention and Exhibition Centre Phase 3, please provide the following information:

- (a) the expected completion date of the plan;
- (b) the expected commencement date of works; and
- (c) the additional manpower requirement for the works and the expenditure involved.

Asked by: Hon. IP Wai-ming

Reply:

On Hong Kong Trade Development Council's proposal for a Phase 3 development of the Hong Kong Convention and Exhibition Centre at a nearby site, the Government is still examining the relevant issues (including its location, design, related planning issues as well as its impacts on the traffic, environment and other public facilities in the vicinity). The Government has not made any decision on the proposal. We will conduct a public consultation at an appropriate time when there is a concrete proposal.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ MISS YVONNE CHOI

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

Date \_\_\_\_\_ 18.3.2010



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

Reply Serial No.

**CEDB(CIT)033**

Question Serial No.

1825

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 Mega Events Fund, please provide the following information:

- (a) How many large-scale arts, culture and sports events staged in Hong Kong have been supported by the Fund since its establishment? Have any studies been carried out on the economic benefits of such events for Hong Kong? If yes, please give the details. If not, will consideration be given to allocating more resources for relevant studies in the following year?
- (b) What are the funding criteria? Is there any ceiling set on the financial support for each event?
- (c) What is the estimated number of events receiving support under the Fund in 2010-11? What is the expenditure involved? What are the expected economic benefits?

Asked by : Hon. IP Wai-ming

Reply :

- (a) The Mega Events Fund (MEF) was established in May 2009 following funding approval of the Finance Committee of the Legislative Council. Since then, a maximum sum of \$27.2 million has been approved to support seven mega arts, cultural and sports events to be held in Hong Kong. All these events are expected to attract over 200 000 participants, including over 31 000 visitors, as well as create over 2 400 jobs. Mega events can add colour and vibrancy to Hong Kong, attract more visitors, stimulate spending, create employment, raise Hong Kong's international profile and promote Hong Kong as "Events Capital of Asia". To evaluate the economic benefits of mega events, the MEF Assessment Committee has already consulted the Government Economist and the Hong Kong Tourism Board while scrutinising the applications. After completion of the events, we will also analyse the data collected from organisers and other parties in order to assess the economic benefits brought by mega events to Hong Kong.

- (b) MEF has a strict and open assessment mechanism. Firstly, applications must fulfil certain basic criteria. For instance, the proposed project must be an arts, cultural or sports event; the organisers must be local non-profit organisations; and the number of participants in the proposed event must reach at least 10 000. Other assessment criteria include economic benefits (such as the number of visitors and overseas participants to be attracted; and the number of jobs to be created), other benefits (such as the extent of raising Hong Kong's international profile and attracting media coverage), scale of the event, as well as technical and financial feasibility etc. The funding amount for each event supported by MEF varies. The Assessment Committee will consider a number of factors such as the event content, scale, duration, venue requirement, budget, other funding sources (such as commercial sponsorship and ticket income) as well as the capability of the organiser before making a recommendation to the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism), who will then determine the upper limit of funding for each selected application. To attract mega events to be staged in Hong Kong, there is no funding ceiling for each selected project except that the funding amount cannot exceed 50% of the project's actual total cost.
- (c) The number of mega events to be supported by MEF in 2010-11 as well as their funding amount will depend on the number of applications received and how many of them can successfully pass the assessment procedure. Amongst the seven events supported by MEF, four will be held in 2010-11, which are expected to attract over 130 000 participants, including over 18 800 visitors, and create over 860 jobs.

Signature	_____
Name in block letters	MISS YVONNE CHOI
	Permanent Secretary for Commerce and Economic Development
Post Title	(Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)034**

Question Serial No.

1826

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 current progress of the Ocean Park Redevelopment project and hotel development project? Is there any specific timetable for the projects? If yes, what are the details? If not, what are the reasons? And how many additional visitors are expected to be attracted to Hong Kong each year after the completion of these projects?

Asked by : Hon. IP Wai-ming

Reply :

The Master Redevelopment Plan of Ocean Park is progressing smoothly. Upon completion in 2012, the Park's attractions will be doubled from 35 to over 70. Following the opening of "Amazing Asian Animals" and "Ocean Express" in 2009, another eye-catching new attraction "Aqua City", consisting of the largest aquarium in Asia and an aquarium restaurant, will be completed by end of this year. In addition, it is expected that the new attraction "Rainforest", featuring expedition trails and rapids ride journey, will be completed in early 2011.

Ocean Park is also planning to develop three hotels in the Park, each with a distinctive theme, and is now inviting tenders for two of them, namely "Ocean Hotel" and "Fisherman's Wharf Hotel". It is estimated that the two hotels will be completed in 2013. Regarding the third one "Spa Hotel", it is expected that tender will be invited after the completion of the two aforesaid hotels.

According to Ocean Park, after completion of its redevelopment project, the yearly number of visitors will increase to 5.8 million in 2012-13 and over 7 million by 2021-22. In order to attract more visitors, Ocean Park has been actively participating in overseas promotional activities organised by the Hong Kong Tourism Board, including trade meetings and roadshows held in major Mainland cities, Taiwan, India and major Southeast Asian countries. Ocean Park will continue to develop the Mainland and overseas markets and promote new attractions under its redevelopment project, with a view to attracting more visitors from the Mainland and overseas.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)035**

Question Serial No.

1827

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 diversifying green tourism products in Hong Kong, would the Administration please advise on:

- (a) the items of green tourism products which have been/are being promoted;
- (b) the specific measures and expenditures involved for diversifying green tourism products of Hong Kong; and
- (c) details of the promotion plans and publicity strategies for Hong Kong National Geopark and the expected economic benefits; and whether any provision has been made for conservation of the park in its daily operations.

Asked by : Hon. IP Wai-ming

Reply :

- (a) The Hong Kong Tourism Board (HKTB) has been promoting the Hong Kong Wetland Park and green attractions at the Mai Po Nature Reserve, Sai Kung, Lantau Island, Cheung Chau, Lamma Island, Peng Chau, etc. through various channels, including its website and publications like Hong Kong Visitor's Kit, Discover Hong Kong Nature, Hong Kong Family Fun Guide, etc. Besides, HKTB has since 2006 arranged eco-guided tours under the "Hong Kong Nature Kaleidoscope" programme, such as the Northeast New Territories Islands Hopping Tour, Tai O Ecotour, Long Valley Ecotour, Mai Po Wetland Experience, Hong Kong Wetlands Tour, Dolphin Watching Tour and other hiking tours for overseas visitors.
- (b) In 2010-11, promotion of green tourism continues to be one of HKTB's key marketing initiatives. It will continue to step up promotion in different channels. In October 2009, HKTB launched the "Great Outdoors Hong Kong!" to highlight the unique hiking experience of Hong Kong. It attracted many visitors from Japan, Taiwan, Korea and South China. This year, HKTB will continue to make use of this platform to publicise Hong Kong's natural attractions. The above work will be implemented with existing resources. No additional expenses will be incurred.

- (c) The Hong Kong National Geopark (the Geopark) is one of our important natural resources, and has been well received by overseas visitors since its opening in November 2009. Regarding promotion, HKTB has joined hands with the tourism industry to reinforce the Geopark itineraries in green tourism activities such as the “Northeast New Territories Islands Hopping Tour” and “Sai Kung Coastal Treasures” guided tours, in which visitors can enjoy the geological landscapes of Tolo Channel, Double Haven, Sai Kung islands and the Ung Kong Group. Meanwhile, the Agriculture, Fisheries and Conservation Department (AFCD) has been arranging, through HKTB and the Travel Industry Council of Hong Kong, familiarisation visits for the tourism industry to enhance their understanding of the Geopark and facilitate the development of related tourism products. Moreover, HKTB publicises the Geopark through its website and publications, with a view to increasing overseas tourists’ interest in visiting the spectacular geosites of Hong Kong. Last month, the Secretary for Commerce and Economic Development and the Consul-General of Japan visited the Geopark together and exchanged views on ways to attract more Japanese tourists to the new attraction.

Promotion of the Geopark and other natural attractions will entice nature lovers to visit Hong Kong (including the silver-haired segment in Japan and hikers from long-haul and short-haul markets). Their consumption in Hong Kong will bring us economic benefits, which are nevertheless not easily quantified.

In 2010-11, AFCD has earmarked \$22.6 million under Head 22 Programme (2) Nature Conservation and Country Parks for the management and operation of the Geopark including nature conservation.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)036**

Question Serial No.

2588

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 production of a dedicated Art Guide for visitors, please provide the following information:

- (a) the attractions to be covered in the Art Guide; and
- (b) the lead time for producing the Art Guide, the number of copies to be printed and the expenditure involved.

Asked by : Hon. IP Wai-ming

Reply :

- (a) To facilitate visitors to explore Hong Kong's arts and cultural attractions, the Hong Kong Tourism Board (HKTB) is working on the production of a "Hong Kong culture and art guidebook". The guidebook will feature an array of arts and cultural venues such as galleries, museums, workshops and historic buildings in tourist districts, including Sai Wan, Sheung Wan, Central, Wan Chai, Tsim Sha Tsui and Yau Ma Tei. It will also introduce the major arts and cultural events staged in Hong Kong each year, such as the Hong Kong Arts Festival, Hong Kong International Film Festival, Hong Kong International Art Fair, etc.
- (b) The production of the "Hong Kong culture and art guidebook" will take about six months, and is near completion. The guidebook will be launched in end March this year. Initially, 20,000 copies will be printed for distribution to visitors in town and overseas. In the light of visitors' feedback, the HKTB will consider increasing the quantity if necessary. The content of the guidebook will also be uploaded onto the HKTB's website for viewing by both the locals and visitors. The production cost of the guidebook is about \$600,000.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)037**

Question Serial No.

0295

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 :

The Commerce and Economic Development Bureau states that it will continue to monitor and review the operation of the SME Funding Schemes and the Special Loan Guarantee Scheme during 2010-11. Please advise:

- a. the number of applications and the loan amounts in respect of the two Schemes as at March 2010.
- b. by what time at the latest the Administration will decide whether to extend the Special Loan Guarantee Scheme, given that the Scheme is scheduled to end in June this year.
- c. whether the Scheme will be further extended for 6 months or one year, and if so, the estimated expenditure thus involved.

Asked by : Hon Lam Kin-fung, Jeffrey

Reply :

(a) The Special Loan Guarantee Scheme (SpGS) has come into operation since 15 December 2008. As at the end of February 2010, the Trade and Industry Department (TID) has received 30 896 applications, of which 28 533 have been approved involving a total loan amount of over \$69 billion. As for the on-going SME Loan Guarantee Scheme, from the commencement of the scheme in December 2001 till the end of February 2010, TID has received 24 505 applications, of which 22 200 have been approved involving a total loan amount of \$29.2 billion.

(b) and (c)

SpGS is an exceptional measure which aims to assist Hong Kong enterprises in coping with the global financial crisis. It is a time-limited scheme. The application period has been extended twice till the end of June this year. We will closely monitor the pace of economic recovery in the coming months and decide when to let the credit market resume normal operation.



As SpGS is market-driven, the amount of loan and expenditure involved will depend on the demand for loans and the number of default cases.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism )
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)038**

Question Serial No.

0296

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 :

According to the Commerce and Economic Development Bureau, continued efforts will be made in 2010-11 to assist the trade in adjusting to changes in Mainland's policy on processing trade.

- (a) What concrete measures will be taken to help the trade?
- (b) What assistance will be offered to the trade to open up new Mainland markets? Will subsidy be provided in this regard?
- (c) How will the latest Mainland market information be made available to local traders?

Asked by : Hon LAM Kin-fung, Jeffrey

Reply :

(a), (b) and (c) Through the following work, the Commerce and Economic Development Bureau gives encouragement to and assists Hong Kong enterprises in upgrading, restructuring and opening up new markets so as to adjust to changes in the Mainland's policy on processing trade:

- maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand their concerns and views;
- maintaining close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to reflect the trade's views on problems encountered in the process of developing the domestic sales market and in the course of upgrading and restructuring, and discuss proposed supportive measures for the trade. We have also been appealing to the Mainland to consult the trade and fully consider their views before promulgation of new policies and legislation, and to give the trade sufficient time for transition and adjustment;

- organising symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade's understanding of new policies, legislation and the business environment;
- disseminating information on trade-related policies, legislation and measures to Hong Kong enterprises through TID and Mainland Offices by means of circulars and newsletters. TID's website includes a dedicated page on business information on Mainland China, with hyperlinks to the economic and trade websites of 170 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to trade-related information on the Mainland;
- organising trade delegations to visit the Mainland with a view to enhancing the trade's understanding of Mainland policies and market development;
- providing Hong Kong enterprises with support services on technological upgrading, improving management, branding and market development, etc., and also Mainland market information through the Hong Kong Productivity Council (HKPC) and the Hong Kong Trade Development Council; and
- with regard to financial support, assisting small and medium enterprises (SMEs) through the "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, restructuring and business relocation.

The above is our ongoing work. Our work priorities for each year may be different in light of the prevailing economic and business environment and concerns expressed by the trade.

Since there is still uncertainty over the economic situation this year, we have written to the Mainland authorities to convey the trade's wish for the continued implementation of the supportive measures launched by the Mainland in 2008-09 and 2009-10. We will also follow up on the other proposals from the trade relating to business facilitation and promotion of domestic sales. Furthermore, we are discussing with HKPC collaboration opportunities relating to experience sharing on upgrading and restructuring amongst enterprises.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)039**

Question Serial No.

0389

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

Subhead (No. & title) :

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 under Matters Requiring Special Attention in 2010-11 that the Commerce and Economic Development Bureau will continue to plan for Hong Kong Convention and Exhibition Centre Phase 3. Would the Administration advise this Committee:

- (a) What is the progress of the plan since its inception for long? Is there any initial outcome?
- (b) What are the locations that have been considered for developing Hong Kong Convention and Exhibition Centre Phase 3?
- (c) Is there any timetable for the plan?
- (d) What is the estimated expenditure to be borne by the Government under the plan?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

In 2010-11, the Commerce and Economic Development Bureau will continue to monitor the long-term demand for convention and exhibition facilities in Hong Kong and plan for the provision of additional quality facilities when needed.

On Hong Kong Trade Development Council's proposal for a Phase 3 development of the Hong Kong Convention and Exhibition Centre at a nearby site, the Government is still examining the relevant issues (including its location, design, related planning issues as well as its impacts on the traffic, environment and other public facilities in the vicinity). The Government has not made any decision on the proposal, timetable and estimated expenditure. We will conduct a public consultation at an appropriate time when there is a concrete proposal.

Signature

Name in block letters

MISS YVONNE CHOI

Permanent Secretary for Commerce  
and Economic Development

Post Title

(Commerce, Industry and Tourism)

Date

18.3.2010

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

Reply Serial No.

**CEDB(CIT)040**

Question Serial No.

0390

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 :

Under Matters Requiring Special Attention in 2010-11, it is mentioned that the Bureau would “co-ordinate with the HKTB, the trade and relevant training institutions to facilitate supply of talents and enhance promotional efforts for the MICE, cruise and related tourism sectors”. What is the specific plan for nurturing talents in the tourism sector? Would the Government incur any expenditure under the plan?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Government has spared no efforts in enhancing the appeal of Hong Kong as the premier travel destination in the region. As an important part of our tourism development strategy, the Government has been vigorously developing the Meetings, Incentive Travels, Conventions and Exhibitions (MICE) and cruise tourism sectors. In view of the growing competition in the region, nurturing the best talent is of paramount importance.

In respect of MICE training, the Tourism Commission (TC) appointed a consultant to study the manpower requirements of the MICE sector in 2008. At present, the Hong Kong Polytechnic University (PolyU), the Chinese University of Hong Kong (CUHK), the Vocational Training Council (VTC), the Employees Retraining Board (ERB) and the Productivity Council provide courses on MICE. In the 2009-10 academic year, PolyU has launched Hong Kong's first degree programme on convention and event management.

PolyU, CUHK, VTC and ERB offer courses to train tourism and hotel personnel. Training institutions also strive to upgrade their teaching facilities. For instance, the teaching hotel of CUHK was opened last year, providing training opportunities for students. Executives of this hotel also give lectures on hotel management. In addition, there is a training restaurant in PolyU which is run by students. A teaching hotel in PolyU is under construction and is expected to be completed within this year.

To facilitate the trade in manpower development for the cruise sector, TC and the Advisory Committee on Cruise Industry (ACCI) have drawn up and implemented the following action plan -

- (i) to create a database of cruise-related courses provided by tertiary and training institutes to facilitate the trade and members of the public to select suitable courses. The information was uploaded onto the websites of TC and the Travel Industry Council of Hong Kong (TIC) in March last year. TC will update the relevant information regularly;
- (ii) to launch training courses related to cruise tourism through the Government's "Skills Upgrading Scheme (SUS)" and TIC since the middle of last year, including "Introductory course on cruise travel", "Practical skills in servicing cruise travellers" and "Cruise selling training course", etc. In 2009, there were about 300 enrolments in the above courses, and over 700 places will be available in 2010. We will closely monitor the needs of the trade and adjust the supply of the training places if necessary. We will also continue to encourage the cruise and related industries in manpower development to meet the needs of the cruise market in Hong Kong; and
- (iii) to collaborate with the Curriculum Development Institute of the Education Bureau in conducting seminars on the development of cruise tourism in Hong Kong for secondary school teachers teaching "Tourism and Hospitality Studies (THS)", so as to enhance their understanding of cruise tourism development in Hong Kong. Two seminars with attendance of 125 teachers were organised in 2009. In 2010-11, ACCI plans to organise activities related to cruise tourism and the travel trade (such as cruise ship tours and experience sharing sessions) for secondary school students taking THS, to encourage and attract talents to join the tourism industry.

In addition, we will co-ordinate with TIC and SUS to provide training courses on other subjects, including ticketing, tourist guide, crisis management, cultural monument appreciation, nature guide and geological feature appreciation, etc.

TC will continue to proactively promote exchanges and co-operation with training institutes, the travel trade, TIC and the Hong Kong Tourism Board, to meet the training needs of trade members with a view to facilitating the overall development of the travel industry.

The expenditure for the training courses related to tourism launched under the Government's SUS is absorbed by the SUS and is not shown under Head 152. TC will continue to promote manpower development in the MICE and hotel, cruise and relevant tourism sectors with existing manpower and resources in 2010-11.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)041**

Question Serial No.

0665

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 :

Under "Matters Requiring Special Attention in 2010-11", the Commerce and Economic Development Bureau indicates that it will "continue to work closely with the Ocean Park to ensure smooth implementation of its redevelopment project and hotel development project with a view to strengthening Hong Kong's position as a premier destination for family visitors in the region". What is the progress of the Ocean Park's expansion programme? What plans or new items will be launched to attract visitors?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Master Redevelopment Plan of Ocean Park is progressing smoothly. Upon completion in 2012, the Park's attractions will be doubled from 35 to over 70. Following the opening of "Amazing Asian Animals" and "Ocean Express" in 2009, another eye-catching new attraction "Aqua City", consisting of the largest aquarium in Asia and an aquarium restaurant, will be completed by end of this year. In addition, it is expected that the new attraction "Rainforest", featuring expedition trails and rapids ride journey, will be completed in early 2011.

Ocean Park is also planning to develop three hotels in the Park, each with a distinctive theme, and is now inviting tenders for two of them, namely "Ocean Hotel" and "Fisherman's Wharf Hotel". It is estimated that the two hotels will be completed in 2013. Regarding the third one "Spa Hotel", it is expected that tender will be invited after the completion of the two aforesaid hotels.

In order to attract more visitors, Ocean Park launches five festival events every year. These include "Ocean Park Sweetheart Chinese New Year Holidays" in February, "Animal Month In High Definition" in April, "Ocean Park Summer Splash" in July and August, "Ocean Park Halloween Bash" in October and "Ocean Park Christmas Sensation" in December. In addition, the construction of "Hong Kong Street", a themed area with traditional Hong Kong characteristics, is currently underway and is expected to open in early 2011. Visitors can experience the old Hong Kong atmosphere through the iconic features, music and food

provided in the “Hong Kong Street”. As regards animal conservation and education, Ocean Park will also be responsible for taking care of two koalas to be presented by the South Australian Government in the near future, in addition to other animals like giant pandas and red pandas. Upon completion of the Ocean Park’s redevelopment project and the new hotels, coupled with the above-mentioned new events, the tourism appeal of the Park will be greatly enhanced.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010



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

Reply Serial No.

**CEDB(CIT)042**

Question Serial No.

1148

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 (Commerce, Industry and Tourism Branch) planned to complete the consultancy study on investment promotion in Hong Kong and oversee the gradual implementation workplan for the recommendations during 2009-10. Please provide the details and a breakdown of the expenditure of such workplans.

Asked by : Hon. LAM Tai-fai

Reply :

The consultancy study on inward investment promotion of Hong Kong was completed in 2009-10. The Bureau has briefed Members of the Panel on Commerce and Industry of the Legislative Council on the results, recommendations and follow-up actions of the study at the Panel's meeting on 19 January 2010. Details of Invest Hong Kong (InvestHK)'s plan to implement the consultancy's recommendations are as follows –

- (a) To restructure the target sectors for investment promotion into eight (i.e. creative industries; innovation and technology; business and professional services; information and communications technology; transport and industrial; tourism and hospitality; consumer products; and financial services) to foster the development of the new growth industries where Hong Kong has a clear competitive advantage. The investment promotion teams were re-organised according to these restructured target sectors;
- (b) To redeploy resources to improve the delivery of aftercare services;
- (c) To enhance the research capabilities to cope with the development needs of the Department;
- (d) To strengthen the monitoring, management and coordination of overseas offices and consultants; and

- (e) To strengthen cooperation with other government departments, Hong Kong Trade Development Council and Hong Kong Tourism Board to achieve synergy in promoting Hong Kong.

InvestHK will implement the above-mentioned works gradually within existing resources.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)043**

Question Serial No.

1149

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 :

The Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) planned to assist the trade to cope with challenges arising from Mainland's new policies and policy adjustments on processing trade during 2009-10. Please provide the details and a breakdown of the expenditure so incurred.

Asked by : Dr Hon LAM Tai-fai

Reply :

Through the following work, the Commerce and Economic Development Bureau gives encouragement to and assists Hong Kong enterprises in upgrading, restructuring and opening up new markets so as to adjust to changes in the Mainland's policy on processing trade:

- maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand their concerns and views;
- maintaining close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to reflect the trade's views on problems encountered in the process of developing the domestic sales market and in the course of upgrading and restructuring, and discuss proposed supportive measures for the trade. We have also been appealing to the Mainland to consult the trade and fully consider their views before promulgation of new policies and legislation, and to give the trade sufficient time for transition and adjustment;
- organising symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade's understanding of new policies, legislation and the business environment;
- disseminating information on trade-related policies, legislation and measures to Hong Kong enterprises through TID and Mainland Offices by means of circulars and newsletters. TID's website includes a dedicated page on business information on Mainland China, with hyperlinks to the economic and trade websites of 170 Mainland authorities. This platform facilitates Hong Kong

- enterprises in getting access to trade-related information on the Mainland;
- organising trade delegations to visit the Mainland with a view to enhancing the trade's understanding of Mainland policies and market development;
- providing Hong Kong enterprises with support services on technological upgrading, improving management, branding and market development, etc., and also Mainland market information through the Hong Kong Productivity Council (HKPC) and the Hong Kong Trade Development Council; and
- with regard to financial support, assisting small and medium enterprises (SMEs) through the "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, restructuring and business relocation.

The above is our ongoing work. Our work priorities for each year may be different in light of the prevailing economic and business environment and concerns expressed by the trade.

Our work priority in the year 2009-10 was to assist the trade in coping with the financial tsunami. On one hand, we maintained close dialogue with the trade to understand their situations and requests, in response to which we have launched supportive measures including extending twice the application period for the "Special Loan Guarantee Scheme", and increasing the grant ceiling and scope of the "SME Export Marketing Fund". At the same time, we liaised closely with the Mainland authorities to follow up on how the various concrete facilitation measures launched by the Mainland in the year 2008-09 were implemented in 2009-10. These measures include raising the export tax rebate rates for a number of times, suspending the actual payment of standing book deposit for processing trade enterprises, reducing or waiving administrative fees and charges, implementing "restructuring without stopping production" and "consolidated tax return for multiple domestic sales", etc. We also discussed with the Mainland authorities arrangements to facilitate Hong Kong enterprises in tapping on the Mainland domestic market.

Since there is still uncertainty over the economic situation this year, we have written to the Mainland authorities to convey the trade's wish for the continued implementation of the supportive measures launched by the Mainland in 2008-09 and 2009-10. We will also follow up on the other proposals from the trade relating to business facilitation and promotion of domestic sales. Furthermore, we are discussing with HKPC collaboration opportunities relating to experience sharing on upgrading and restructuring amongst enterprises.

The above-mentioned work, which falls within the existing duties of this Bureau and relevant Departments and organisations, will be done with existing resources. Funding for the "SME Funding Schemes" has already been approved.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism )
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)044**

Question Serial No.

1150

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 (Commerce, Industry and Tourism Branch) has planned to oversee efforts to promote Hong Kong's stable and business-friendly environment in the Mainland, Taiwan and the emerging markets during 2010-11. Please provide the details and a breakdown of the expenditure so incurred.

Asked by : Dr Hon. LAM Tai-fai

Reply :

In 2010-11, on-going investment promotion (IP) activities will be carried out through Invest Hong Kong (HK) to promote Hong Kong's advantages and encourage companies from the Mainland, Taiwan and target emerging markets to establish a presence in Hong Kong. These include-

- (a) IP visits and meetings to reach out to companies in these economies to encourage foreign, Mainland and Taiwan companies to establish a presence or expand their operations in Hong Kong;
- (b) facilitation services to assist companies in setting up their business here and aftercare support for companies already in Hong Kong;
- (c) networking and marketing events, speaking engagements in business forums and high level events to reach out to potential investors and promote Hong Kong's enduring advantages;
- (d) advertising and public relations campaigns to enhance the awareness of Hong Kong as the leading international business location in Asia;
- (e) thematic seminars and sector-focused workshops to promote Hong Kong as a two-way platform between the Mainland and the rest of the world;

- (f) IP seminar, workshops and incoming study missions supported by advertising and public relations campaigns through the three-year nation-wide marketing campaign “On Your Marks, Get-set, Go!” to actively reach out to companies on the Mainland with potential to set up in Hong Kong. In 2010, the marketing campaign will be held in Guangdong and Liaoning province.
- (g) joint investment promotion seminars in key overseas markets in collaboration with Mainland provinces and cities to promote the combined advantages offered by Hong Kong and the Mainland, in particular the Greater Pearl River Delta region; and
- (h) enhanced marketing campaign including perception study about Hong Kong’s business environment amongst Taiwan companies; a comprehensive database on Taiwan companies in Hong Kong, Mainland and Taiwan and appointing a public relations agency, to better identify target companies and reach out to potential investors as well as to promote Hong Kong as a preferred business location for Taiwan enterprises.

Funding requirements for conducting in-market IP activities in the Mainland, Taiwan and markets with emerging potentials as our inward investment targets are \$4.4 million, \$0.6 million and \$3.6 million respectively. The above and other IP expenses will be absorbed under Head 79- Invest Hong Kong.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)045**

Question Serial No.

1151

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 :

For the year 2010-11, Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) 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 opening up new markets. Please compare the specific tasks involved and the breakdown of the expenditures for the past three years (i.e. 2007-08 to 2009-10) with those for the coming year.

Asked by : Dr Hon LAM Tai-fai

Reply :

Through the following work, the Commerce and Economic Development Bureau gives encouragement to and assists Hong Kong enterprises in upgrading, restructuring and opening up new markets so as to adjust to changes in the Mainland's policy on processing trade:

- maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand their concerns and views;
- maintaining close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to reflect the trade's views on problems encountered in the process of developing the domestic sales market and in the course of upgrading and restructuring, and discuss proposed supportive measures for the trade. We have also been appealing to the Mainland to consult the trade and fully consider their views before promulgation of new policies and legislation, and to give the trade sufficient time for transition and adjustment;
- organising symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade's understanding of new policies, legislation and the business environment;
- disseminating information on trade-related policies, legislation and measures to Hong Kong enterprises through TID and Mainland Offices by means of circulars and newsletters. TID's website includes a dedicated page on business

information on Mainland China, with hyperlinks to the economic and trade websites of 170 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to trade-related information on the Mainland;

- organising trade delegations to visit the Mainland with a view to enhancing the trade's understanding of Mainland policies and market development;
- providing Hong Kong enterprises with support services on technological upgrading, improving management, branding and market development, etc., and also Mainland market information through the Hong Kong Productivity Council (HKPC) and the Hong Kong Trade Development Council; and
- with regard to financial support, assisting small and medium enterprises (SMEs) through the "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, restructuring and business relocation.

The above is our ongoing work. Our work priorities for each year may be different in light of the prevailing economic and business environment and concerns expressed by the trade.

For example, in the year of 2007-08, in response to the adjustment in the policy on processing trade and implementation of the Labour Contract Law, we conveyed to the Mainland authorities through various channels (including written communication and meetings with senior officials) the trade's concerns. We also put forward and followed up on proposed supportive measures.

In the years of 2008-09 and 2009-10, our work priorities were to assist the trade in coping with the financial tsunami. On one hand, we maintained close dialogue with the trade to understand their situations and requests, in response to which we have launched supportive measures including enhancing flexibility in the use of "SME Loan Guarantee Scheme", introducing a "Special Loan Guarantee Scheme" which has a total loan guarantee commitment of \$100 billion and extending twice its application period, and increasing the grant ceiling and scope of the "SME Export Marketing Fund". At the same time, we liaised closely with the Mainland authorities, which responded positively to the views of the HKSAR Government and the trade. Various concrete facilitation measures were launched by the Mainland authorities in 2008-09 and 2009-10, including raising the export tax rebate rates for a number of times, suspending the actual payment of standing book deposit for processing trade enterprises, reducing or waiving administrative fees and charges, implementing "restructuring without stopping production" and "consolidated tax return for multiple domestic sales", etc. We also discussed with the Mainland authorities arrangements to facilitate Hong Kong enterprises in tapping on the Mainland domestic market.

Since there is still uncertainty over the economic situation this year, we have written to the Mainland authorities to convey the trade's wish for the continued implementation of the supportive measures launched by the Mainland in 2008-09 and 2009-10. We will also follow up on the other proposals from the trade relating to business facilitation and promotion of domestic sales. Furthermore, we are discussing with HKPC collaboration opportunities relating to experience sharing on upgrading and restructuring amongst enterprises.

The above-mentioned work, which falls within the existing duties of this Bureau and relevant Departments and organisations, will be done with existing resources. Funding for the "SME Funding Schemes" has already been approved.



Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)046**

Question Serial No.

1152

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 year 2010-11, Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) will continue to work with the industry to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital. Please compare the specific programmes of cooperation between the Administration and the trade as well as the breakdown of the expenditures for the past three years (i.e. 2007-08 to 2009-10) with those for the coming year (2010-11).

Asked by : Hon. LAM Tai-fai

Reply :

The Hong Kong Tourism Board (HKTB) has all along been working closely with the MICE (Meetings, Incentive Travels, Conventions and Exhibitions) and tourism industries to promote MICE tourism. In 2007-08, the HKTB carried out a number of promotional activities and provided support to MICE events. The relevant expenditure was included in the HKTB's general promotional expense.

In the 2008-09 Budget, an additional \$150 million was earmarked over the following five years to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital, and to seek to host more mega international conventions and exhibitions in Hong Kong. In 2008-09 and 2009-10, the Government allocated \$30 million each year out of this additional funding to the HKTB for promoting MICE tourism. In 2010-11, the Government will continue to allocate \$30 million to the HKTB for implementing this task.

Leveraging on the additional funding, the HKTB founded the Meetings and Exhibitions Hong Kong (MEHK) Office in November 2008 which specialises in promoting MICE tourism. Since its establishment, MEHK has expanded co-operation with the trade on all fronts and established partnership with more trade members. MEHK's past and future efforts include:

- Conducting a series of promotional activities in various target markets and working with the Hong Kong Exhibition and Convention Industry Association, government Economic

and Trade Offices, Hong Kong Trade Development Council and Invest Hong Kong to enhance the brand image of Hong Kong as a premier MICE destination;

- Assisting the trade to identify and bid for large-scale MICE events, and jointly lobbying and bidding for more MICE events to be staged in Hong Kong;
- Organising trade delegations to participate in overseas trade shows, familiarisation visits and seminars to provide opportunities for local MICE service suppliers to link up with and promote their products to overseas major organisers and event management companies of MICE events;
- Referring local trade members which operate venue, promotion, hospitality as well as various support and logistical services to MICE event organisers while providing one-stop professional support to the latter; and
- Partnering with the tourism, airline, hotel, retail and catering trades through the “Business Right Here!” campaign to provide value-added offers on airfares, shopping, sightseeing and dining to MICE visitors, with a view to encouraging them to visit our attractions and stimulating their consumption, thereby benefiting our tourism and related industries.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)047**

Question Serial No.

1153

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

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:

For the year 2010-11, Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) will continue to monitor the long-term demand for convention and exhibition facilities in Hong Kong and plan for the provision of additional quality facilities when needed. How will the Administration assess Hong Kong's need for convention and exhibition facilities? When a need is ascertained, what kind of facilities will the Administration plan to provide and what will be the expenditures involved?

Asked by: Hon.LAM Tai-fai

Reply:

When assessing the long-term demand for the convention and exhibition facilities in Hong Kong, we will take into account the result of a Government-commissioned consultancy study on the supply of and demand for exhibition facilities in Hong Kong as well as the findings of surveys on Hong Kong's convention and exhibition industry conducted or being conducted by other organizations. So far, we have not made any decision on the construction of new facilities. We will conduct a public consultation at an appropriate time when there is a concrete proposal.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

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

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)048**

Question Serial No.

1154

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

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:

During 2010-11, the Hong Kong Trade Development Council plans to implement a holistic strategy to deepen our penetration in the Mainland domestic market. What are the specific work involved and the breakdown of the expenditures incurred?

Asked by: Hon. LAM Tai-fai

Reply:

In 2010-11, the Hong Kong Trade Development Council (HKTDC) will continue to help Hong Kong companies access the Mainland domestic market, and expand its B2C activities targeting Mainland consumers. For example, "Style Hong Kong" promotions will be organised in Fuzhou, Shenyang, Shanghai, Jinan and Guangzhou to enhance brand awareness of Hong Kong products. In addition, promotion activities will be held at major trade fairs on the Mainland to connect Hong Kong companies with Mainland buyers.

Riding on the success of the new "Design Gallery" shop opened in Beijing last year, HKTDC will seek to open similar shops in the Mainland. In view of the increasing popularity of online shopping among Mainland consumers, HKTDC will launch an online "Design Gallery" shop in addition to the "Design Gallery" store to expand the sales channel for Hong Kong products and enhance images of our brands.

Apart from promotion activities, HKTDC will organise a series of seminars and workshops on major difficulties Hong Kong SMEs facing in their operation on the Mainland. Market information on different Mainland cities and industries will also be provided to SMEs on a regular basis.

The costs of the aforementioned initiatives have been included in HKTDC's overall trade promotion budget for 2010-11. As these initiatives cut across a number of programme areas, it is not possible to provide an accurate estimate for the expenditures required for each item.

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>18.3.2010</u>

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

Reply Serial No.

**CEDB(CIT)049**

Question Serial No.

1155

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

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:

During 2010-11, the Hong Kong Trade Development Council plans to take advantage of Hong Kong's integration with the Pearl River Delta and the CEPA liberalisation measures for pilot implementation measures in the Guangdong Province. What are the specific work involved and the breakdown of the expenditures incurred?

Asked by: Hon. LAM Tai-fai

Reply:

In 2010-11, the Hong Kong Trade Development Council (HKTDC) will step up its efforts in promoting our services sector in the Mainland to help Hong Kong's companies leverage on the business opportunities arising from the increasing economic integration between Hong Kong and the Mainland. Promotion work will be carried out first in the Guangdong Province and then extended to other regions in the Mainland. For example, to follow up on the business opportunities arising from the pilot implementation programmes for the Guangdong Province, HKTDC will organise sector-specific road shows (in relation to sectors as ITC outsourcing, professional services, design and online games etc.) as well as other promotion and exchange activities.

Moreover, HKTDC will organise a series of workshops to examine the major difficulties faced by the operations of Hong Kong's enterprises in the Guangdong Province. It will also invite Mainland officials to update Hong Kong's service providers on Central Government's relevant measures. In cooperation with the Ministry of Commerce, HKTDC will organise symposiums in Hong Kong and the Mainland to foster exchanges and partnership between Hong Kong's service providers and their potential business partners in the Mainland.

The costs of the aforementioned initiatives have been included in HKTDC's overall trade promotion budget for 2010-11. As these initiatives cut across a number of programme areas, it is not possible to provide an accurate estimate for the expenditure required for each item.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI  
Permanent Secretary for Commerce  
and Economic Development

Post Title (Commerce, Industry and Tourism)

Date 18.3.2010



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

Reply Serial No.

**CEDB(CIT)050**

Question Serial No.

1156

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

Subhead (No. & title) :

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:

During 2010-11, the Hong Kong Trade Development Council will support the Government's initiatives to promote the development of the six industries recommended by the Task Force on Economic Challenges. What are the specific work involved and the breakdown of the expenditures incurred?

Asked by: Hon. LAM Tai-fai

Reply:

In 2010-11, the Hong Kong Trade Development Council (HKTDC) will actively support the Government's initiatives to promote the development of the six industries. Its specific measures are as follows:

- (a) *Innovation and technology*: HKTDC will continue to leverage on its Inno Design Tech Expo and other relevant trade fairs to promote Hong Kong as the regional trading centre for technology. HKTDC will also organise business missions to overseas markets to explore opportunities for new technology co-operation projects.
- (b) *Environmental industries*: HKTDC will develop its Eco Expo Asia into a platform for governments in the region to source eco-services and products through Hong Kong.
- (c) *Creative industries*: HKTDC will further enhance its Hong Kong International Filmart, which is already Asia's premier film fair, by enriching its contents and increasing the number of screenings. It will also organise networking events and roundtable meetings for companies in the games and animation sectors in Hong Kong and the Pearl River Delta (PRD) region to foster close partnership relations between them. In addition, it will enrich the contents of the "Creativity in Business Seminar Series" in the PRD region and consider extending the series of relevant activities to other regions.
- (d) *Testing and certification services*: HKTDC will seek to promote Hong Kong's testing and certification services by setting up "Testing Services Zones" at appropriate trade fairs, and organise joint seminars on the subject with relevant industry associations.

- (e) *Education services*: HKTDC will support the eight tertiary institutions funded by the University Grants Committee to promote Hong Kong as an education hub in the region and assist them in organising joint promotion activities to recruit students as appropriate.
- (f) *Medical services*: HKTDC will actively promote Hong Kong as a medical hub providing both Western and traditional Chinese medical treatments. It will work with the Hong Kong Private Hospitals Association, the Hong Kong Doctors Union and the Hong Kong Dental Association to jointly promote Hong Kong as a leading treatment centre in the region, targeting the middle-class patients in the PRD region.

The costs of the above initiatives have been included in HKTDC's overall trade promotion budget for 2010-11. As these initiatives cut across a number of programme areas, it is not possible to provide an accurate estimate for the expenditure required for each item.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_  
MISS YVONNE CHOI

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

Date \_\_\_\_\_  
18.3.2010

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

Reply Serial No.

**CEDB(CIT)051**

Question Serial No.

1157

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

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:

During 2010-11, the Hong Kong Trade Development Council will enhance its value as an active resource centre and partner of small and medium enterprises in meeting tomorrow's challenges. What are the specific work involved and the breakdown of the expenditures incurred?

Asked by: Hon. LAM Tai-fai

Reply:

The Hong Kong Trade Development Council (HKTDC) will adopt the following measures to enhance its service as a resource centre for small and medium-sized enterprises (SMEs) and its role as a valuable partner for SMEs:

- launch a SME start-up programme to offer assistance to those who wish to set up SMEs; organise the annual "Entrepreneur Day" to provide a platform for information exchange and experience sharing for those who wish to start their own business; expand the "World SME Expo" so that it becomes the leading event in Asia for SMEs to identify business solutions, enhance their competitiveness and explore business opportunities in Asia and the Mainland. These activities will involve an expenditure of \$12.2 million in total;
- re-position the Business InfoCentre as a SME service centre offering advisory and support services for SMEs. The annual expenditure of the centre will be \$13 million;
- continue to offer free China Business Advisory Services to help local SMEs facing difficulties with their operations in the Mainland market. These services will involve an expenditure of \$1.6 million;
- continue to update local SMEs with the latest market information through research reports, newsletters and other publications. These items will cost \$12.27 million; and

- organise a series of thematic seminars, workshops and training courses to keep local SMEs abreast of latest market information, business knowledge and brand building skills. The annual expenditure involved will be \$2 million.

In addition to the aforementioned activities, HKTDC will continue to help SMEs explore business opportunities through promotion of Hong Kong's services and manufacturing industries.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ MISS YVONNE CHOI

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

Date \_\_\_\_\_ 18.3.2010

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

Reply Serial No.

**CEDB(CIT)052**

Question Serial No.

1158

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:

During 2010-11, the Hong Kong Trade Development Council will assist small and medium enterprises to acquire a first mover advantage in the global economic recovery. What are the specific work involved and the breakdown of the expenditures incurred?

Asked by: Hon. LAM Tai-fai

Reply:

To help Hong Kong companies capitalise on the opportunities arising from the early stage of economic recovery, the Hong Kong Trade Development Council (HKTDC) will adopt the following measures in 2010-11:

- as the near-term prospect of emerging markets are expected to be more promising when compared to the mature markets, HKTDC will intensify its promotion efforts in the former. For example, it will organise industry-specific and cross-sector business missions to countries and regions with more potential for development, including the ASEAN countries, Mexico and Brazil in Latin America, as well as Russia. It will step up its promotion efforts in India and stage its “Lifestyle Expo” again in Warsaw, Poland. It will also set up consultant offices in Istanbul, Turkey and Jakarta, Indonesia to support its increased activities in emerging markets. The annual expenditure for the aforementioned initiatives will amount to about \$46.72 million; and
- HKTDC will freeze the basic participation fees for its events and services. Hong Kong’s small and medium-sized enterprises (SMEs), which are the major users of TDC’s services, will be the major beneficiaries. HKTDC will also continue the operation of its “Buyers Sponsorship Programme” in order to attract more overseas buyers to attend the trade fairs in Hong Kong. The amount of estimated expenditure is yet to be approved by the Council of HKTDC.

In addition to the aforementioned initiatives, HKTDC will continue to help SMEs explore business opportunities through promoting Hong Kong's services and manufacturing industries as well as other support measures for SMEs.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

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

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)053**

Question Serial No.

2262

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 Hong Kong Tourism Board plans to further drive growth in MICE (Meetings, Incentive Travels, Conventions and Exhibitions) in 2010-11. What are the specific initiatives and the breakdown of the expenditure involved?

Asked by : Hon. LAM Tai-fai

Reply :

The Meetings and Exhibitions Hong Kong (MEHK) Office was established under the Hong Kong Tourism Board in November 2008, specialising in promoting MICE (Meetings, Incentive Travels, Conventions and Exhibitions) tourism. In 2010-11, MEHK will implement the following initiatives:

- Conducting a series of promotional activities in various target markets and working with government Economic and Trade Offices, Hong Kong Trade Development Council and Invest Hong Kong to enhance the brand image of Hong Kong as a premier MICE destination;
- Assisting event organisers to identify and bid for large-scale MICE events, and liaising with organisations of industries with growth potential, so as to proactively lobby and bid for more MICE events to be staged in Hong Kong;
- Promoting MICE products and services provided by the local trade to overseas major organisers and event management companies of MICE events through participating in overseas trade shows, organising familiarisation visits and seminars for the trade as well as strengthening MEHK's website;
- Providing one-stop professional support to MICE event organisers, including site inspection, promotion, itinerary planning and hospitality programmes, as well as consultation and referral services for various support and logistical needs;
- Offering a wide range of hospitality arrangements, including setting up visitor service counters in exhibition venues and dedicated immigration counters at the airport, with a view to providing visitors of major MICE events with convenience; and

- Partnering with the travel trade to offer tourism information, products and support services to MICE visitors, and expanding value-added offers on airfares, shopping, sightseeing and dining so as to enrich their travel experience in Hong Kong.

In 2010-11, the Government will continue to allocate \$30 million, out of the additional \$150 million earmarked in the 2008-09 Budget for strengthening MICE promotion, to the HKTB for carrying out 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	18.3.2010



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

Reply Serial No.

**CEDB(CIT)054**

Question Serial No.

1954

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

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 :

The Increased provision of \$1.7 million (17.3%) for 2010-11, as against the revised estimate for 2009-10, is mainly earmarked for creating one position of Political Assistant. While the tenure of all Political Assistants appointed as non-civil service contract staff under Accountability System in 2008 will end on 30 June 2012, which means half of the tenure has lapsed, when will the Administration confirm the candidate to be appointed? Please account for the purposes of the increased provision in the estimate.

Asked by : Hon. LAU Kin-yee, Miriam

Reply :

The vacancy of the Political Assistant in the Commerce and Economic Development Bureau will be filled when a suitable candidate is identified.

In the 2010-11 Estimates, a provision of \$1.86 million has been earmarked under Head 152 for filling the position of Political Assistant.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)055**

Question Serial No.

1955

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 :

It is noted that Singapore has been developing tourism actively, and its competitiveness has increased with the completion of the Universal Studio Singapore and the Singapore Casino. On promoting Hong Kong's tourism, has the Administration inject resources to study the feasibility of building a new theme park? If yes, what are the details of the study and the expenditure involved? If no, what are the reasons?

Asked by : Hon. LAU Kin-yee, Miriam

Reply :

The Government attaches great importance to Hong Kong's tourism development. In respect of tourist attractions, theme parks are a key factor bringing visitors to Hong Kong. At present, the expansion of our two theme parks, namely Ocean Park and Hong Kong Disneyland, which will cost \$5.55 billion and \$3.63 billion respectively, are being implemented in full swing.

The Master Redevelopment Plan of Ocean Park commenced in 2006. Upon completion in 2012, the Park's attractions will be doubled from 35 to 70. Following the opening of "Amazing Asian Animals" and "Ocean Express" in 2009, new attractions, namely "Aqua City" and "Rainforest", will be completed by the end of this year and early next year respectively. Meanwhile, Ocean Park is planning to develop three hotels in the Park, each with a distinctive theme, providing over 1 000 rooms.

The expansion project of Hong Kong Disneyland started at the end of last year and is expected to be completed in phases before mid-2014. Three themed areas will be added to the park, with two of them being the first to be launched amongst Disney theme parks worldwide, and the other being the first amongst Disney theme parks within Asia. The expansion plan will enlarge the existing theme park by about 23% and add more than 30 new attractions, bringing the total to over 100.

Apart from the above, the Government has been adopting a holistic strategy to enhance Hong Kong's tourism appeal. Last year, the Noah's Ark in Ma Wan, Hong Kong National Geopark and Former Marine Police Headquarters Historic Compound in Tsim Sha Tsui were

opened. In mid-2010, construction works of the Ngong Ping Landscaped Piazza will be completed. We are also planning and implementing enhancement projects in Lei Yue Mun, Aberdeen and Tsim Sha Tsui. In respect of cruise tourism, construction for the new cruise terminal at Kai Tak began at the end of last year, and the first berth will commence operation in mid-2013. Currently, total public and private investment in tourism infrastructure amounts to \$17 billion.

In addition, we have been making every effort to attract more large-scale MICE (Meetings, Incentive Travels, Conventions and Exhibitions) and mega events to be staged in Hong Kong. The Hong Kong Tourism Board established the “Meetings and Exhibitions Hong Kong” (MEHK) Office in November 2008 to strengthen promotion of Hong Kong as a premier MICE destination, provide one-stop professional support to MICE event organisers and enrich travel experience of MICE visitors. The Government has also set up the “Mega Events Fund” to support more arts, cultural and sports events to be held in Hong Kong.

We note that a number of large-scale tourism facilities have been or will shortly be completed in Asia. With or without the addition of another theme park or resort in the region, Hong Kong must continue to bring in new attractions and strengthen existing ones, as well as constantly improve our service quality in response to market changes so as to meet the needs of our visitors. The Government will continue to adopt a multi-pronged approach to promote our tourism development. We will also review our strategies from time to time so as to enhance our tourism competitiveness and strengthen Hong Kong’s position as a premier travel destination in Asia. In 2010-11, the Tourism Commission will continue to employ existing manpower and resources to carry out this work.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)056**

Question Serial No.

1956

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 further enhancement of existing tourist attractions and facilities, what are the contents, progress, timetables and expenditure of the projects concerned, including the Aberdeen Tourism Project, enhancement of the Lei Yue Mun waterfront, enhancement of the footbridges in Tsim Sha Tsui East and development of a piazza in Tsim Sha Tsui?

Asked by : Hon. LAU Kin-ye, Miriam

Reply :

The requisite information on the above projects is set out below:

(1) Aberdeen Tourism Project

The proposed scope of works includes improving passenger boarding or disembarking facilities, redesigning/constructing hard and soft landscapes to highlight the theme of a fishing village and providing additional plantings etc.; erecting additional signage and setting up kiosk(s) for selling snacks and souvenirs, and providing visitors with tourist information; carrying out landscape improvement works along the waterfront area of Aberdeen and Ap Lei Chau, and setting up display boards to promote the temples of traditional fishing villages and to facilitate visits to these temples; and enhancing the streetscapes of Ap Lei Chau Main Street and other adjacent streets. The concerned department is carrying out the design work which is anticipated to be completed within this year. As the project is still at the initial design stage, no works expenditure will be incurred in 2010-11.

(2) Lei Yue Mun Waterfront Enhancement Project

The scope of works includes the construction of a public landing facility, a breakwater, a waterfront promenade and five lookout points along the Lei Yue Mun waterfront, improvement of the existing viewing platform, landscaping of the footpath linking the various lookout points, and construction of a new viewing terrace. The relevant works departments are working on the detailed design and the required statutory procedures for gazettal of the project works. As the project is still at the design stage, no expenditure for works will be incurred in 2010-11.

(3) Enhancement of Footbridges in Tsim Sha Tsui East

The project aims to enhance the two existing footbridges across Mody Road and Salisbury Road in Tsim Sha Tsui East including refurbishment of the footbridges, replacement of the existing ramps with lifts, and associated works such as re-paving of footpaths. The approved project estimate is \$71.4 million. Works have commenced in the third quarter of 2009 for completion in the third quarter of 2011. An estimated expenditure of \$30.5 million will be incurred in 2010-11.

(4) Development of a Piazza in Tsim Sha Tsui

The project scope includes the development of an open piazza at the harbour-front site next to the Tsim Sha Tsui Star Ferry Pier, and the construction of an adjacent turnaround which can accommodate a number of bus stops and a taxi stand. The piazza will provide a new public open space for leisure enjoyment by both the locals and visitors and for staging events, whereas the new turnaround will enable the site to retain its function as a land-sea interchange. Works for the new turnaround were gazetted last year and we are following up with the views collected according to the statutory procedures. No expenditure for works will be incurred in 2010-11.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)057**

Question Serial No.

2942

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 Financial Secretary mentioned in paragraph 86 of the Budget Speech that the Government will promote businesses related to wine trading by strengthening Hong Kong's position as a regional wine trading and distribution hub which in turn will help boost employment. Has the Administration estimated whether women will be benefited? If yes, what are the details? If no, what are the reasons?

Asked by : Hon. Emily LAU

Reply :

Market response to the wine duty exemption and the supportive measures that we have since rolled out has been positive. Many wine-related companies have set up or expanded their businesses in Hong Kong covering areas including trading, storage, retailing and so on. The new policy has also brought benefits to related economic activities such as tourism, catering and hospitality, exhibitions as well as brand promotion.

Apart from bringing direct economic benefits to Hong Kong, the further development of wine-related businesses would help boost employment. The added jobs opportunities are in areas including trading, storage, logistics, auction, manpower training and so on, with openings for positions ranging from professional sommeliers to frontline staff. Although exact figures are not available, we trust that women also stand to benefit since the jobs in question are generally not restricted to persons bearing the male gender.

Signature \_\_\_\_\_

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

YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)058**

Question Serial No.

0298

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 :

Please advise this Committee on the drafting progress of the Competition Bill, the schedule for its submission, and the manpower and expenditure involved.

Asked by : Hon. LEE Wai-king, Starry

Reply :

We are proceeding full steam ahead with the drafting of the Competition Bill. In the past year, we have been working hard with various bureaux and departments to determine the details of the Bill such as the operation and investigative power of the Competition Commission, the operational model of the Competition Tribunal, and how the competition law under preparation reconciles with other competition provisions of existing legislation etc. We are seeking to complete the drafting work of the Bill, and at the same time working with various bureaux and departments to examine the coverage and contents of relevant provisions and to finalize the details of the Bill. Although the Competition Bill is very complex, we still strive to maintain the original target on the introduction of the Bill into the Legislative Council.

As regards staffing and expenditure, officers from the Department of Justice and this Bureau engaging in the preparation of the Competition Bill and their salaries have already been subsumed in the respective staffing and financial provision in the two Heads, and cannot be itemized separately. Apart from this, we appointed in June 2007 a consultant to provide expert advice on issues relating to the development of competition law. The consultancy fee reserved for 2010-11 is around \$1.3 million.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)059**

Question Serial No.

0299

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 advise this Committee on how the Bureau would promote the Hong Kong National Geopark and diversify local green tourism products and the provisions required.

Asked by : Hon. LEE Wai-king, Starry

Reply :

The Hong Kong National Geopark (the Geopark) is one of our important natural resources, and has been well received by overseas visitors since its opening in November 2009. Regarding promotion, the Hong Kong Tourism Board (HKTB) has joined hands with the tourism industry to reinforce the Geopark itineraries in green tourism activities such as the “Northeast New Territories Islands Hopping Tour” and “Sai Kung Coastal Treasures” guided tours, in which visitors can enjoy the geological landscapes of Tolo Channel, Double Haven, Sai Kung islands and the Ung Kong Group. Meanwhile, the Agriculture, Fisheries and Conservation Department has been arranging, through HKTB and the Travel Industry Council of Hong Kong, familiarisation visits for the tourism industry to enhance their understanding of the Geopark and facilitate the development of related tourism products. Moreover, HKTB publicises the Geopark through its website and publications, with a view to increasing overseas tourists’ interest in visiting the spectacular geosites of Hong Kong. Last month, the Secretary for Commerce and Economic Development and the Consul-General of Japan visited the Geopark together and exchanged views on ways to attract more Japanese tourists to the new attraction.

Promotion of green tourism is one of HKTB’s key marketing initiatives. It will continue to step up promotion in different channels, such as arranging eco-guided tours under the “Hong Kong Nature Kaleidoscope” programme since 2006. In October 2009, HKTB launched the “Great Outdoors Hong Kong!” to highlight the unique hiking experience of Hong Kong. It attracted many visitors from Japan, Taiwan, Korea and South China. In 2010-11, HKTB will continue to make use of this platform to publicise Hong Kong’s natural attractions.



The above work 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	18.3.2010



<b><i>Secondary Markets – sub total</i></b>	<b><i>15.6</i></b>	<b><i>12.7</i></b>
Malaysia	4.2	3.2
Germany	3.4	3.6
Thailand	3.3	2.2
France	3.2	3.0
Indonesia	1.6	0.6
<b><i>Non-key markets – sub total</i></b>	<b><i>0.6</i></b>	<b><i>1.5</i></b>
<b>Total marketing budgets for source markets</b>	<b>188.5</b>	<b>178.5</b>

The HKTB will closely monitor the latest developments in different source markets, and where necessary, adjust its marketing strategies and re-deploy resources to ensure their proper and most effective use.

Note (1): Because of rounding-off, there may be slight difference between the aggregation of individual markets and the “sub-total” figures.

Note (2): During the summer of 2009, to minimise the impact of the financial tsunami and the outbreak of the human swine influenza on visitor arrivals, the HKTB adjusted its marketing strategies and re-deployed resources from other markets to the Mainland to strengthen summer promotion on travelling to Hong Kong. As a result, the difference between the original estimates and revised estimates of 2009-10 is quite substantial. For example, the marketing budget for the Mainland increased from the original estimate of \$56.5 million to the revised estimate of \$63.7 million.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)061**

Question Serial No.

0301

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 :

When will the Commerce and Economic Development Bureau conduct public consultation on consumer protection proposals and introduce the relevant legislative amendments? Please inform this Committee of the financial and manpower arrangements.

Asked by : Hon. LEE Wai-king, Starry

Reply :

The policy review on consumer protection legislation has come to a final stage and we have developed broad directions of legislative proposals to tackle unfair trade practices that are commonly seen in the market. Our inclination is to expand the coverage of the Trade Descriptions Ordinance to cover false representations in respect of services. We also intend to create new criminal offences in the Ordinance to prohibit misleading omissions, aggressive practices and the practices of "bait-and-switch" and "accepting payment without intending or being able to supply" by making reference to relevant legislation in the UK and Australia.

We will in due course consult the Economic Development Panel of this Council on the abovementioned broad directions, so that we can take account of and reflect Members' views when finalising the public consultation document.

As regards staffing and expenditure, the head-count and salaries of officers involved in the abovementioned tasks have been subsumed into the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify them separately.

Signature \_\_\_\_\_

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

Miss YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)062**

Question Serial No.

0302

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 :

The Bureau states that it will review the Consumer Legal Action Fund in 2010-11. What will be the direction and details of the review? How much resources will be required?

Asked by : Hon. LEE Wai-king, Starry

Reply :

The Consumer Council is the trustee of the Consumer Legal Action Fund (CLAF). In August 2009, the Council set up a task force, comprising members of the Council and the Management Committee of CLAF, to conduct a strategic review on CLAF. The review covers the effectiveness of CLAF and its operational arrangements. The task force will put forward recommendations to the Management Committee of CLAF, with a view to enhancing the work of CLAF and assisting consumers with meritorious claims in a more effective manner. The review is underway. The Council will submit recommendations to the Administration after the review has been completed.

Signature \_\_\_\_\_

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

Miss YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)063**

Question Serial No.

0303

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 inform this Committee of the Hong Kong Tourism Board's detailed plan for promoting Hong Kong/Taiwan cruise itineraries in the Mainland as well as the expenditure and manpower arrangements involved.

Asked by : Hon. LEE Wai-king, Starry

Reply :

The measure announced by the Central People's Government last year allowing Mainland tour groups travelling to Taiwan by taking cruise vessels homeporting in Hong Kong helps further develop Hong Kong's cruise industry. Leveraging on the measure, the Hong Kong Tourism Board (HKTB) has devised comprehensive strategies and collaborated with the relevant international cruise companies and the travel trade to launch promotion programme in a number of major Mainland provinces and cities, including the Guangdong Province, Shanghai, Hangzhou, Nanjing and Beijing.

In 2010-11, the HKTB will launch a range of trade promotions in the Mainland to raise awareness of the new cruise products or itineraries and the sale. For example, the HKTB's offices in the Mainland will co-operate with the China National Tourism Administration to organise seminars for the travel trade. The HKTB will also join the international cruise companies at major trade shows in the Mainland to promote the Hong Kong/Taiwan cruise itineraries. In addition, the HKTB will collaborate with the international cruise companies and travel trade to place advertisements in the Mainland to promote the Taiwan cruise itineraries (which cover Hong Kong) and encourage visitors to make stopover visits in Hong Kong before or after visiting Taiwan.

The HKTB's estimated budget on promoting Hong Kong/Taiwan cruise itineraries is about \$1.1 million in 2010-11. The related work will be undertaken by the HKTB's cruise team in the Hong Kong head office and its offices in the Mainland. The Tourism Commission will also work with the HKTB in this regard.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010





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

Reply Serial No.

**CEDB(CIT)065**

Question Serial No.

0305

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 (CEDB) states that it will oversee the effective implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement, including measures for early and pilot implementation in Guangdong, and to seek to conclude more market liberalisation and trade facilitation measures. In this connection, will the CEDB consult the trade and conduct studies before making recommendations to the Central Government as well as the Guangdong Provincial Government, so as to conclude liberalisation measures as many as possible? What are the details of the work plan and the resources involved?

Asked by: Hon. LEE Wai-king, Starry

Reply:

The Government plays an active role in reflecting to the Mainland authorities problems encountered by the trade in making use of the Mainland and Hong Kong Closer Economic Partnership Arrangement (“CEPA”), and always strives to introduce more liberalization measures to facilitate the access of Hong Kong service suppliers to the Mainland services market. Before putting forth suggestions and views to the Mainland authorities, the Government always takes account of the demands and views of the local service industries/suppliers. In this regard, the Secretary for Commerce and Economic Development chairs CEPA consultative forums from time to time to gather views from the trade; individual bureaux and departments also maintain close liaison and dialogue with relevant service industries and professional bodies.

In discussing with the Mainland authorities to further open up the service industries in the Mainland, where certain liberalisation or facilitation measures may not be implemented across the nation, we will seek to introduce such measures for early and pilot implementation in Guangdong Province.

The CEPA-related work outlined above is carried out by a number of government agencies. The Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) is responsible for the overall policy on CEPA; the Trade and Industry Department oversees bilateral discussions on services liberalisation and implementation of the CEPA measures already announced; and individual bureaux and departments deal with liberalisation and implementation issues in specific service sectors. The resource requirements are absorbed by relevant bureaux/departments respectively, and we have not come up with the actual amount involved.

Signature \_\_\_\_\_

Name in block  
letters MISS YVONNE CHOI

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

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)066**

Question Serial No.

0434

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 are the details and breakdown of the expenditure regarding the Administration's initiative in assisting Hong Kong's professional services to enter the Mainland market under the Mainland and Hong Kong Closer Economic Partnership Arrangement in 2010-11? How do the figures compare with those of 2009-10?

Asked by: Hon. LEE Wai-king, Starry

Reply:

The Government is committed to assisting Hong Kong professional services to enter the Mainland market under the Mainland and Hong Kong Closer Economic Partnership Arrangement ("CEPA"). We seek various preferential and facilitative measures for Hong Kong professional services providers, including opening up the Mainland professional qualification examinations to eligible Hong Kong residents, encouraging mutual recognition of professional qualifications, streamlining internship requirement, facilitating registration and practice, lowering the entry threshold, relaxing scope of services, setting up examination centres in Hong Kong or dedicated examination centres in Guangdong Province to make it more convenient for Hong Kong professionals to sit for the relevant Mainland qualification examinations, etc. We have also been actively addressing problems in implementing liberalisation measures related to professional services.

During 2010-11, relevant bureaux and departments will, taking account of the requests and views of the trade and in respect of different professional sectors, discuss with the respective Mainland authorities to further facilitate the eligible Hong Kong residents or professionals in obtaining Mainland professional qualifications and registration, as well as in practicing and setting up businesses in the Mainland. We will also actively seek to resolve implementation problems in these areas.

As a large number of bureaux and departments are involved in assisting Hong Kong professional services to enter the Mainland market, we do not have figures on the overall expenditure devoted to this area of work.

Signature \_\_\_\_\_

Name in block  
letters \_\_\_\_\_ MISS YVONNE CHOI \_\_\_\_\_

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

Date \_\_\_\_\_ 18.3.2010 \_\_\_\_\_

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

Reply Serial No.

**CEDB(CIT)067**

Question Serial No.

0448

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 :

In face of the increasing number of consumer complaints in recent years, how much resources will the Consumer Council allocate for handling complaints in 2010-11? When compared with 2009-10 and 2008-09, how much has it increased or decreased in percentage terms? What was the average cost per case handled by the Consumer Council in these years?

Asked by : Hon. LEE Wai-king, Starry

Reply :

The Complaints and Advice Division (C&AD) of the Consumer Council is responsible for handling consumer complaints. Apart from handling complaints, the C&AD is also responsible for other tasks, including answering consumer enquiries (up to 130 000 per year).

The major expenses of the C&AD are personal emoluments and office expenses. The Consumer Council does not keep separate expense records for handling complaints and enquiries (in fact, most of the staff in the C&AD have to handle both consumer complaints and enquiries) and therefore cannot provide information on the magnitude of changes in the amount of resources used for handling complaints and the average cost of handling each complaint.

The personal emoluments and office expenses of the whole C&AD, and the number of complaints received in the respective years are set out below:

	Expenses (\$ million)	Average expenses per month (\$ million)	Number of complaints
2007-08	22.76	1.90	36 847
2008-09	23.84	1.99	44 409 <sup>Note</sup>
April 2009 to January 2010	20.42	2.04	26 668

Note: There was a sharp increase in consumer complaints in 2008-09 due to the Lehman Brothers incident.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)068**

Question Serial No.

0449

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 :

The administration stated that it would review the operation of the Consumer Legal Action Fund in 2010-11 to strengthen consumer protection. What are the details and timetable of the review? Will the Administration also review the current practice of Consumer Council of naming shops that engaged in unfair sales practices, including extending the coverage of exemption clauses to the Council? This would enable the Council to act without fear of being sued for defamation by the shops so named?

Asked by : Hon. LEE Wai-king, Starry

Reply :

The Consumer Council is the trustee of the Consumer Legal Action Fund (CLAF). In August 2009, the Council set up a task force, comprising members of the Council and the Management Committee of CLAF, to conduct a strategic review on CLAF. The review covers the effectiveness of CLAF and its operational arrangements. The task force will put forward recommendations to the Management Committee of CLAF, with a view to enhancing the work of CLAF and assisting consumers with meritorious claims in a more effective manner. The review is underway. The Council will submit recommendations to the Administration after the review has been completed.

Currently, the Council has established guidelines and procedures governing whether and how a company adopting unfair trade practices should be named. Factors for consideration include the number of complaints received, the amount of money involved, whether the case has aroused public concern, whether different quarters of the public may potentially be affected, and the prevalence of the practice in question. Since naming a company will adversely affect its reputation, the Council has to handle this matter in a meticulous, fair and reasonable manner. This approach not only protects the interests of consumers and legitimate traders, but also upholds the Council's credibility. Both the Government and the Council will monitor the operation of the existing mechanism.

Signature \_\_\_\_\_

Name in block letters Miss YVONNE CHOI

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

Date 18.3.2010



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

Reply Serial No.

**CEDB(CIT)069**

Question Serial No.

1873

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 Administration has indicated that it will conduct public consultation on proposals to enhance consumer protection. What are the details of the consultation exercise? What are the resources involved? What is the timetable?

Asked by : Hon. LEE Wai-king, Starry

Reply :

The policy review on consumer protection legislation has come to a final stage and we have developed broad directions of legislative proposals to tackle unfair trade practices that are commonly seen in the market. Our inclination is to expand the coverage of the Trade Descriptions Ordinance to cover false representations in respect of services. We also intend to create new criminal offences in the Ordinance to prohibit misleading omissions, aggressive practices and the practices of “bait-and-switch” and “accepting payment without intending or being able to supply” by making reference to relevant legislation in the UK and Australia.

We will in due course consult the Economic Development Panel of this Council on the abovementioned broad directions, so that we can take account of and reflect Members' views when finalising the public consultation document. The arrangements for consultation have yet to be confirmed. We look forward to exchanging views with Members and will ensure that sufficient time and avenues are available for public consultation.

As regards staffing and expenditure, the head-count and salaries of officers involved in the abovementioned tasks have been subsumed into the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify them separately.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)070**

Question Serial No.

2915

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 :

Please set out the respective number of cases where assistance was granted by the Consumer Legal Action Fund for the past three financial years (i.e. 2007-08 to 2009-10) and the amounts involved. Also, what is the Consumer Council's estimated expenditure on granting assistance for 2010-11?

Asked by : Hon. LEE Wai-king, Starry

Reply :

The Consumer Legal Action Fund (CLAF) aims to render assistance to cases where significant public interests and justice are involved, or cases involving a significant number of aggrieved consumers in similar situations, so as to help the affected consumers seek legal redress.

By bringing representative test cases in different areas before the court, CLAF intends to establish important legal principles and set precedents for future cases. This approach benefits not only consumers who are assisted directly by CLAF but also facilitates other consumers who wish to take private action themselves. Accordingly, the number of beneficiaries is much more than those consumers who received direct assistance from CLAF.

From 2007-08 to 2009-10, the number of cases approved by CLAF and the amount of claims involved are listed below:

	<b>2007-08</b>	<b>2008-09</b>	<b>April 2009 to February 2010</b>
<b>Cases approved for granting of assistance</b>	<b>1</b>	<b>1</b>	<b>4</b>
<b>Number of assisted persons</b>	<b>2</b>	<b>1</b>	<b>7</b>
<b>Amount of claims involved</b>	<b>\$334,141</b>	<b>\$30,400</b>	<b>\$1,053,568</b>

The expenses of CLAF are affected by a number of factors, e.g. the number of applications, the number of approved cases and the progress and development of proceedings. We are unable to give an accurate estimate of the expenses of CLAF in 2010-11.

Signature \_\_\_\_\_  
Name in block letters MISS YVONNE CHOI  
Permanent Secretary for Commerce and  
Economic Development  
Post Title (Commerce, Industry and Tourism)  
Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)071**

Question Serial No.

0557

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 :

The Bureau will delete two posts under Programme (2). Among the financial provision of \$150.5 million, how much will be allocated to help Hong Kong enterprises engaged in processing trades in the Mainland to :

- a) understand and adjust to the Mainland's industrial and labour policies which have been changing in recent years;
- b) undergo industrial restructuring and upgrading, relocate their operations; and
- c) in response to the active encouragement by some provincial and municipal governments, set up and locate their plants in industrial parks provided with environmental facilities?

Asked by : Hon LEUNG Kwan-yuen, Andrew

Reply :

(a), (b) and (c) Through the following work, the Commerce and Economic Development Bureau gives encouragement to and assists Hong Kong enterprises in upgrading, restructuring and opening up new markets so as to adjust to changes in the Mainland's policy on processing trade:

- maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand their concerns and views;
- maintaining close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to reflect the trade's views on problems encountered in the process of developing the domestic sales market and in the course of upgrading and restructuring, and discuss proposed supportive measures for the trade. We have also been appealing to the Mainland to consult the trade and fully consider their views before promulgation of new policies and legislation, and to give the trade sufficient time for transition and adjustment;

- organising symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade's understanding of new policies, legislation and the business environment;
- disseminating information on trade-related policies, legislation and measures to Hong Kong enterprises through TID and Mainland Offices by means of circulars and newsletters. TID's website includes a dedicated page on business information on Mainland China, with hyperlinks to the economic and trade websites of 170 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to trade-related information on the Mainland;
- organising trade delegations to visit the Mainland with a view to enhancing the trade's understanding of Mainland policies and market development;
- providing Hong Kong enterprises with support services on technological upgrading, improving management, branding and market development, etc., and also Mainland market information through the Hong Kong Productivity Council (HKPC) and the Hong Kong Trade Development Council; and
- with regard to financial support, assisting small and medium enterprises (SMEs) through the "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, restructuring and business relocation.

The above is our ongoing work. Our work priorities for each year may be different in light of the prevailing economic and business environment and concerns expressed by the trade.

Since there is still uncertainty over the economic situation this year, we have written to the Mainland authorities to convey the trade's wish for the continued implementation of the supportive measures launched by the Mainland in 2008-09 and 2009-10. We will also follow up on the other proposals from the trade relating to business facilitation and promotion of domestic sales. Furthermore, we are discussing with HKPC collaboration opportunities relating to experience sharing on upgrading and restructuring amongst enterprises.

Some Mainland provincial and municipal governments have been actively encouraging Hong Kong enterprises to set up and relocate their plants in industrial parks. The HKSAR Government has conveyed to the relevant Mainland authorities (including authorities in the provincial/city governments) the trade's views in this regard, such as requests for concessionary policies and the provision of central waste processing facilities in the industrial parks, etc. If the trade is interested in participating in any such project and needs capital or financing support, they may apply for the "SME Funding Schemes".

The above-mentioned work, which falls within the existing duties of this Bureau and relevant Departments and organisations, will be done with existing resources. Funding for the "SME Funding Schemes" has already been approved.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)072**

Question Serial No.

3018

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 his Budget Speech, the Financial Secretary listed out the new tourist attractions that would be completed and commissioned for use as far as in 2013. What are the tourist attractions that will come into operation in Hong Kong in 2010, 2011 and 2012 respectively and the expenditure involved?

Asked by : Hon. LEUNG Mei-fun, Priscilla

Reply :

Details of the projects / tourist attractions, which will come into operation in 2010, 2011 and 2012 respectively, are as follows:

<b>Year of Completion</b>	<b>Details of Project / Tourist Attraction</b>	<b>Estimated Expenditure</b>
2010	Ngong Ping Landscaped Piazza Project  Public facilities covered by the Project include a landscaped piazza with a central pedestrian Bodhi Path, a new Pai Lau, a Chinese-style garden with a pavilion, four lotus ponds around the existing Di Tan, a public toilet at the Ngong Ping public transport interchange, a roundabout and associated storm water drainage works.	\$77.5 million
2011	Enhancement of Footbridges in Tsim Sha Tsui East  The project aims to enhance the two existing footbridges across Mody Road and Salisbury Road in Tsim Sha Tsui East. The scope includes refurbishment of the footbridges, replacement of the existing ramps with lifts, and associated works such as re-paving of footpaths.	\$71.4 million



Year of Completion	Details of Project / Tourist Attraction	Estimated Expenditure
2012	<p>Ocean Park Master Redevelopment Project</p> <p>Upon completion of the Ocean Park's redevelopment project in 2012, the Park's attractions will be doubled from 35 to over 70. These attractions include "Aqua City" to be completed by end 2010 and "Rainforest" to be completed in early 2011. Other new attractions will be rolled out in later stage.</p>	<p>\$5.55 billion (75% came from commercial loans. The remaining 25% provided by Government in the form of a subordinated loan under the Loan Fund)</p>
2012 or before	<p>The <u>first</u> new themed area in the expansion plan of Hong Kong Disneyland (HKD)</p> <p>Under HKD's expansion plan, three brand new themed areas will be developed in phases by mid-2014, the first of which will be completed in 2012 or before. Two of the new themed areas will be the first to be launched amongst Disney theme parks worldwide, and the other one will also be the first amongst Disney theme parks within Asia. The expansion plan will enlarge the existing theme park by about 23% and add more than 30 new attractions, entertainment and interactive experiences, bringing the total number of attractions in HKD to over 100.</p>	<p>The expenditure of HKD's expansion (a total of three brand new themed areas at total estimated costs of \$3.63 billion) is to be paid by the joint venture company of the Government and The Walt Disney Company. Government will not inject any new capital for the expansion.</p>

In addition, some attractions developed by other organisations will come into operation before 2012. They include the International Commerce Centre Observation Desk, and projects under the "Revitalising Historic Buildings Through Partnership Scheme" of the Development Bureau, including Lui Seng Chun (to be revitalised as the Chinese medicine and healthcare centre) and the former Lai Chi Kok Hospital (as Jao Tsung-I Academy). These attractions would enhance Hong Kong's tourism appeal, with a view to providing richer offerings to visitors and reinforcing Hong Kong's overall competitiveness and attractiveness as a premier tourist destination.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)073**

Question Serial No.

2839

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 advise the total value of all contracts entered into with outside parties by the Branch during 2009-10 for consultancy studies related to travel and tourism, and the subject matter covered by each of the consultancy studies. Please also advise the total value of such consultancy contracts budgeted for 2010-11, as well as the projected areas of study.

Asked by : Hon. LI Kwok-po, David

Reply :

The Tourism Commission (TC) has not entered into any consultancy contracts related to travel and tourism in 2009-10. It plans to undertake two consultancy studies in 2010-11. The subjects covered and the contract values are set out as follows:

<b>Area of Study</b>	<b>Value of Contract HK\$</b>
To advise on the compliance with client's requirements and related matters in connection with the implementation of terminal operation and ancillary facilities for a new cruise terminal at Kai Tak	2,160,000
To advise on the insurance requirements of the tenancy agreement for a new cruise terminal at Kai Tak	400,000
<b>Total</b>	<b>2,560,000</b>

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)074**

Question Serial No.

2840

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 the total value of all contracts entered into with outside parties by the Hong Kong Tourism Board during 2009-10 for consultancy studies related to travel and tourism, and the subject matter covered by each of the consultancy studies. Please also advise the total value of such consultancy contracts budgeted for 2010-11, as well as the projected areas of study.

Asked by : Hon. LI Kwok-po, David

Reply :

In 2009-10, the Hong Kong Tourism Board (HKTB) entered into three contracts for consultancy studies related to travel and tourism. The subjects covered and the contract values are set out as follows –

<b>Subject Matter</b>	<b>Area of Study</b>	<b>Value of Contract HK\$</b>
Exhibition Industry Trends Review	To obtain an overview of the development of the exhibition industry in Hong Kong's competing markets, as well as the global and Asian market trends (e.g. type, frequency, and location rotation pattern of exhibitions), with a view to identifying opportunities for Hong Kong. The findings will enable the HKTB to target its promotional efforts at specific industry stakeholders, such as the exhibition organisers in overseas markets, and devise tailored promotions to cater for different markets, so as to attract new exhibition business to Hong Kong.	187,000

Subject Matter	Area of Study	Value of Contract HK\$
Revamp of PartnerNet Website	To conduct a comprehensive review of the existing PartnerNet website, which is a communication tool for the HKTB to disseminate information to local trade partners and stakeholders on the HKTB's promotional efforts and planned trade missions. The review aims at identifying options to improve the current layouts, functions, navigation, content and service features of the website. Furthermore, surveys are conducted to gauge the needs of trade and non-trade partners for the website.	200,000
Social Media Audit	To study the common social media (blogs, forums and social networks) used in the Mainland, Taiwan, the US and Southeast Asia (Malaysia, the Philippines, Thailand and Singapore), with a view to setting up guidelines on the use of social media marketing in these places and identifying the key channels that the HKTB should focus on.	163,000
	<b>Total</b>	<b>\$550,000</b>

The HKTB has no plans for any consultancy study for 2010-11 at this stage.

Signature \_\_\_\_\_  
Name in block letters MISS YVONNE CHOI  
Post Title Permanent Secretary for Commerce  
and Economic Development  
(Commerce, Industry and Tourism)  
Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)075**

Question Serial No.

2841

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 :

With the implementation of the “three Direct Links” across the Strait, visitor arrivals from Taiwan suffered a substantial drop of more than 10% in 2009 over 2008. Please advise whether the Hong Kong Tourism Board plans any increase in its marketing initiatives directed at Taiwan in 2010-11, and whether the number of visitors from Taiwan is expected to recover or fall further in 2010-11.

Asked by : Hon. LI Kwok-po, David

Reply :

The Hong Kong Tourism Board (HKTb) has carefully assessed the impact of cross-Strait direct links in devising its promotional strategies for Taiwan. While the direct links might have contributed to a decline of 10.3% in visitor arrivals from Taiwan in 2009, especially those for business travellers who stopped over Hong Kong (a decline of 17.6%), vacation arrivals recorded a growth of 9.8% in the year to reach a total of 456 900. The HKTb's strategy is to actively promote Hong Kong as an ideal vacation destination for Taiwanese visitors, with a view to making up for the loss in business arrivals. To this end, the HKTb will increase its marketing budget for Taiwan to \$19.7 million in 2010-11, representing a rise of 4.8% as compared to that in 2009-10. Key initiatives in 2010-11 to promote Hong Kong in Taiwan include –

- (i) leveraging on various mega events during the year to roll out promotions that target family and young travellers, such as the Hong Kong Summer Spectacular in July/August and Halloween Treats in September/October;
- (ii) enhancing promotion efforts and increasing penetration in the secondary cities in Taiwan, namely Taichung and Kaohsiung; and

- (iii) promoting corporate meetings and incentive travel in Hong Kong by arranging travel missions to Taiwan for business matching, familiarisation visits for agents and corporate representatives to showcase Hong Kong attractions, as well as direct mailing and sales efforts.

The HKTB envisages that the direct flights between Taiwan and the Mainland will continue to impact on visitor arrivals from Taiwan, in particular the business travellers, many of whom depart for the Mainland on the same day of arriving Hong Kong. As a result, the total arrivals from Taiwan in 2010 are expected to be around 1.76 million, a decline of about 12% over 2009. Nevertheless, the above promotional efforts will help attract more vacation visitors from Taiwan to Hong Kong, who tend to stay longer and spend more, thereby mitigating the overall impact.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)076**

Question Serial No.

2842

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 spending on this programme is expected to be 6.7% above the original estimate for 2009-10, and spending is expected to almost double from the 2009-10 provision in 2010-11. Please advise the reason for the increase.

Asked by : Hon. LI Kwok-po, David

Reply :

The revised estimate for 2009-10 is \$0.7 million (6.7%) higher than the original estimate for 2009-10. This is mainly due to the increased cash flow requirement for a consultancy study on competition. The provision for 2010-11 is \$9.6 million (86.5%) higher than the revised estimate for 2009-10. This is mainly due to an injection of \$10.0 million in 2010-11 into the Consumer Legal Action Fund.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)077**

Question Serial No.

0634

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 :

Regarding the initiative to “seek to introduce the Competition Bill into the Legislative Council”, please provide the following information:

- (a) What studies, surveys and other tasks are involved?
- (b) What is the expenditure required for the above initiative?
- (c) When is the Bill expected to be introduced into the Legislative Council?

Asked by : Hon. LI Wah-ming, Fred

Reply :

We are proceeding full steam ahead with the drafting of the Competition Bill. We are seeking to complete the drafting work of the Bill, and at the same time working with various bureaux and departments to determine the coverage and contents of relevant provisions and to finalize the details of the Bill. Although the Competition Bill is very complex, we still strive to maintain our original target on the introduction of the Bill into the Legislative Council.

As regards expenditure required, officers from the Department of Justice and this Bureau engaging in the preparation of the Competition Bill and their salaries have already been subsumed in the respective staffing and financial provision in the two Heads, and cannot be itemized separately. Apart from this, we appointed in June 2007 a consultant to provide expert advice on issues relating to the development of competition law, and the consultancy fee reserved for 2010-11 is around \$1.3 million.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010



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

Reply Serial No.

**CEDB(CIT)078**

Question Serial No.

0635

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 :

On “continu[ing] with the review of the Pyramid Selling Prohibition Ordinance”, please advise:

- (a) the studies, surveys and projects included;
- (b) provisions required for the above projects; and
- (c) expected completion date of the review.

Asked by : Hon. LI Wah-ming, Fred

Reply :

In the light of changes in the modus operandi of pyramid selling schemes, we are reviewing the existing Pyramid Selling Prohibition Ordinance, including its coverage, definitions and penalties, with a view to identifying suitable amendments. We will draw reference from the approaches and legislative models adopted in other countries and places such as Australia, the United Kingdom and Ireland when conducting the review. We hope to complete the review within 2010.

As regards expenditure, the head-count and salaries of officers in this Bureau and other Departments involved in the review have been subsumed in the staffing and financial provisions of the respective organizations. It is difficult to qualify them separately.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)079**

Question Serial No.

0636

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 :

On “conduct[ing] public consultation on proposals to enhance consumer protection”, please provide the following information:

- (a) estimated cost of the consultation;
- (b) specific work involved in the consultation;
- (c) commencement and completion dates as well as duration of the consultation; and
- (d) expected time for completing compilation of the data gathered and announcing the findings of the consultation exercise?

Asked by : Hon. LI Wah-ming, Fred

Reply :

The policy review on consumer protection legislation has come to a final stage and we have developed broad directions of legislative proposals to tackle unfair trade practices that are commonly seen in the market. Our inclination is to expand the coverage of the Trade Descriptions Ordinance to cover false representations in respect of services. We also intend to create new criminal offences in the Ordinance to prohibit misleading omissions, aggressive practices and the practices of “bait-and-switch” and “accepting payment without intending or being able to supply” by making reference to relevant legislation in the UK and Australia.

We will in due course consult the Economic Development Panel of this Council on the abovementioned broad directions, so that we can take account of and reflect Members' views when finalising the public consultation document. The arrangements for consultation have yet to be confirmed. We look forward to exchanging views with Members and will ensure that sufficient time and avenues are available for public consultation.

As regards staffing and expenditure, the head-count and salaries of officers involved in the abovementioned tasks have been subsumed into the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify them separately.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)080**

Question Serial No.

2648

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

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:

Will the Administration consider allocating resources in 2010-11 to research and review the provision and utilisation of the convention and exhibition facilities in Hong Kong in order to adopt measures to optimise the use of existing facilities? If yes, what are the details of the work plans and the estimated expenditures involved? If no, what are the reasons?

Asked by: Hon. NG Margaret

Reply:

When assessing the long-term demand for the convention and exhibition facilities in Hong Kong, we will take into account the result of a Government-commissioned consultancy study on the supply of and demand for exhibition facilities in Hong Kong as well as the findings of surveys on Hong Kong's convention and exhibition industry conducted or being conducted by other organizations. We have not made any decision on the construction of new facilities. We will conduct a public consultation at an appropriate time when there is a concrete proposal.

Since its commencement of operation, the AsiaWorld-Expo (AWE) has attracted a large number of major exhibitions and conventions in the areas of logistics, technology, aviation and consumer goods from Europe, the USA, Asia and the Mainland. AWE has been in operation for over four years only; there is still room for further development. The Government has been assisting AWE in improving its utilisation by actively attracting different types of major international exhibitions and conventions to AWE, as well as providing support to their organisers as appropriate. For example, the Asian Aerospace International Expo & Congress is one of the projects receiving strong support from the Government. The Government has also been encouraging exhibition organisers (including the Hong Kong Trade Development Council) to use AWE, for example, to expand their trade shows through the "one show, two venues" arrangement.

The aforementioned work is part of the existing work of the Bureau and other related bureaux/departments. It will be absorbed by the existing resources and no additional provision is required.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI  
Permanent Secretary for Commerce  
and Economic Development

Post Title (Commerce, Industry and Tourism)

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)081**

Question Serial No.

2834

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

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 :

For the payroll cost of the Hong Kong Trade Development Council (HKTDC), please list:

- (a) the total number of staff members of the HKTDC, as well as the total payroll cost and the percentage against the total expenditure of the HKTDC for each of the past three years from 2007-08 to 2009-10;
- (b) the expenditure on the remuneration of the Executive Director, Deputy Executive Directors and Assistant Executive Directors of the HKTDC for each of the past three years from 2007-08 to 2009-10, as well as the adjustment rates of their remuneration and the percentage of their remuneration against the total expenditure of the HKTDC in the aforesaid three years.

Asked by : Hon. NG Margaret

Reply :

- (a) The total number of staff members of the Hong Kong Trade Development Council (HKTDC), as well as the total payroll cost and that cost as a percentage of the total expenditure of HKTDC for each of the past three years from 2007-08 to 2009-10 are as follows:

	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10*</b>
Number of staff	938	964	969
Total payroll cost	\$495.75 million	\$501.59 million	\$530.81 million
Percentage of total payroll cost to HKTDC overall expenditure	25.3%	26.5%	24.1%

*Remarks: \*The figures will be finalised upon the closure of accounts at the end of financial year.*

- (b) The expenditure on the remuneration of the Executive Director, Deputy Executive Directors and Assistant Executive Directors of HKTDC for each of the past three years from 2007-08 to 2009-10, as well as the adjustment rates of their remuneration and the percentage of their remuneration against the total expenditure of HKTDC in the aforesaid three years are as follows:

	2007-08	2008-09	2009-10*
Number of Executive Director, Deputy Executive Directors and Assistant Executive Directors	6	6	5
Total expenditure on the remuneration of the Executive Director, Deputy Executive Directors and Assistant Executive Directors (including salaries, discretionary performance pay, accommodation and other allowances, retirement benefit and staff-related expenses)	\$18.84 million**	\$21.30 million	\$19.23 million
Salary adjustment (excluding the Executive Director***)	+3.85%	+4.46%	0%
Percentage of directorates' remuneration against HKTDC's total expenditure	1.0%	1.1%	0.9%

Remarks: \*The figures will be finalised upon the closure of accounts at the end of the financial year.

\*\* An Assistant Executive Director and a Deputy Executive Director joined HKTDC in January and June 2007 respectively. The discretionary performance pay made in 2007-08 is not applicable to these newcomers.

\*\*\*The salary adjustment of the Executive Director is 0% in the aforementioned three years.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

Permanent Secretary for Commerce and  
Economic Development

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

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)082**

Question Serial No.

3033

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

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:

Will the Bureau consider allocating resources to study and review the supply and utilisation of the convention and exhibition facilities in Hong Kong in 2010-11, and adopting measures to fully utilise the existing convention and exhibition facilities? If yes, what are the details and estimated expenditure of the work plan? If no, what are the reasons?

Asked by: Hon. NG Margaret

Reply:

The Government will continue to monitor the long-term demand for convention and exhibition facilities in Hong Kong and plan for the provision of additional quality facilities when needed. When assessing the long-term demand for the convention and exhibition facilities in Hong Kong, we will take into account the result of a Government-commissioned consultancy study on the supply of and demand for exhibition facilities in Hong Kong as well as the findings of surveys on Hong Kong's convention and exhibition industry conducted or being conducted by other organizations.

The Government has been assisting the AsiaWorld-Expo (AWE) in improving its utilisation by actively attracting different types of major international exhibitions and conventions to AWE, as well as providing support to their organisers as appropriate. For example, the Asian Aerospace International Expo & Congress is one of the projects receiving strong support from the Government. The Government has also been encouraging exhibition organisers (including the Hong Kong Trade Development Council) to use AWE, for example, to expand their trade shows through the "one show, two venues" arrangement.



The aforementioned co-ordination work is part of the existing work of the Bureau and will be absorbed by the existing resources.

Signature \_\_\_\_\_

Name in block  
letters MISS YVONNE CHOI

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

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)083**

Question Serial No.

3034

Head: 152 Government Secretariat: Subhead (No. &  
Commerce and Economic title):  
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 (HKTDC) generates a huge income and substantial surplus from its commercial exhibition business and other business operations every year. Will the Government consider adjusting its funding mechanism for HKTDC in order to better utilise Government resources? If yes, what is the work plan? If no, what are the reasons?

Asked by: Hon. NG Margaret

Reply:

The Hong Kong Trade Development Council (HKTDC) is a statutory organisation established under the Hong Kong Trade Development Council Ordinance. Its function is to promote Hong Kong's external trade, with particular reference to exports. In this connection, TDC has been assisting small and medium-sized enterprises (SMEs) in Hong Kong to explore business opportunities in markets all over the world. It has also been promoting Hong Kong's branded products and services by conducting or organising promotion activities such as trade fairs, business missions as well as international forums and expos etc. To help SMEs capture new opportunities, TDC also organises seminars and workshops regularly, produces trade and research publications and offers consultancy services for them.

The Government considers that the annual subvention is necessary and will provide HKTDC with a stable income to finance its activities for promoting Hong Kong's enterprises and supporting SMEs. In fact, HKTDC's income generated from its fairs and other businesses will become part of its operating fund which will be used for promotion of Hong Kong's external trade.

When deciding on the amount of its subvention to TDC, the Government has already taken into account HKTDC's funding requirements. The Government will also conduct regular reviews of the subvention mechanism for HKTDC. The Government subvention of \$374.5 million to HKTDC for 2010-11 makes up 16.4% of HKTDC's estimated total expenditure for the year.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

Permanent Secretary for Commerce and  
Economic Development (Commerce,

Post Title Industry and Tourism)

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)084**

Question Serial No.

3035

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

Subhead (No. & title) :

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 the main source of funding for the Hong Kong Trade Development Council (HKTDC), will the Government consider carrying out value for money audits on HKTDC to review its functions and corporate governance standards, and make recommendations for improvement? If yes, what are the details? If no, what are the reasons? Furthermore, is there any mechanism for the Government to monitor the operation of the HKTDC? If yes, what are the details? If no, will the Government consider putting in place such a monitoring mechanism?

Asked by: Hon. NG Margaret

Reply:

The Hong Kong Trade Development Council (HKTDC) was established under the Hong Kong Trade Development Council Ordinance, which does not subject HKTDC to the Audit Commission's value for money audits. Moreover, according to a set of guidelines agreed between the Public Accounts Committee of the Legislative Council and the Director of Audit and accepted by the Government, HKTDC, which receives less than half of its income from public moneys (about 16% for 2010-11), is not within the scope of Audit Commission's value for money audits.

The Government oversees HKTDC's major decisions on allocation of resources through various channels. In addition to our liaison with HKTDC through our daily work, HKTDC's annual programme of its proposed activities and budget estimates need to be approved by the Government. The Secretary for Commerce and Economic Development and her representatives also sit on the HKTDC Council and its Staff and Finance Committee (which scrutinises HKTDC's key financial and manpower matters).

Signature	_____
Name in block letters	<b>MISS YVONNE CHOI</b>
Post Title	<b>Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)</b>
Date	<b>18.3.2010</b>

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

Reply Serial No.

**CEDB(CIT)085**

Question Serial No.

3036

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

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 view that many small and medium enterprises (SMEs) have reflected that they encountered difficulties in participating in trade fairs organised by the Hong Kong Trade Development Council (HKTDC), will the Bureau consider advising HKTDC on the appropriate measures to be taken and providing appropriate resources to assist SMEs in participating in trade fairs and conducting other business promotion activities? If so, what are the details? If not, for what reasons?

Asked by: Hon. NG Margaret

Reply:

The Hong Kong Trade Development Council (HKTDC) will freeze the basic participation fees for its events and services this year. Hong Kong's small and medium-sized enterprises (SMEs), which are the major users of HKTDC's services, will be the major beneficiaries. Moreover, to cater for the different needs of SMEs, TDC will offer "economy" exhibition booths with a smaller size but lower fee. HKTDC will also continue the operation of its "Buyers Sponsorship Programme" in order to attract more overseas buyers to attend trade fairs in Hong Kong.

SMEs may also apply for grants under the Government's SME Export Marketing Fund (EMF). The EMF aims to help SMEs exploit export markets through participation in export promotion activities such as exhibitions and business missions. The Government has expanded the scope of the EMF and increased the amount of grant since November 2008. In June 2009, the Government injected an additional provision of \$1 billion to sustain the operation of two SME Funding Schemes (including the EMF).

The Government discusses with HKTDC from time to time the problems encountered by SMEs and possible ways to assist them.

Signature \_\_\_\_\_

Name in block  
letters \_\_\_\_\_ MISS YVONNE CHOI \_\_\_\_\_

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

Date \_\_\_\_\_ 18.3.2010 \_\_\_\_\_

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

Reply Serial No.

**CEDB(CIT)086**

Question Serial No.

3037

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

Subhead (No. & title) :

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 many people have criticised that the salaries of the senior management of the Hong Kong Trade Development Council (HKTDC) are too high, will the Bureau consider advising the HKTDC to review the salary levels of its senior management? If yes, what are the details? If not, what are the reasons? Also, can the Bureau provide the estimates of the HKTDC for the latest year so that the public can have some knowledge about its expenditure on salary and other operating costs? If not, what are the reasons?

Asked by: Hon. NG Margaret

Reply:

The Hong Kong Trade Development Council (HKTDC) commissions consultancy firms to conduct review on the remuneration of its staff from time to time, with a view to ensuring that HKTDC's remuneration is largely in line with that in the private sector. Review on its staff's remuneration and pay trend adjustment also need to be approved by the Council of the HKTDC.

HKTDC's financial statements, the staff costs and operational costs as well as the salaries and allowances of its directorate (i.e. the Executive Director, Deputy Executive Directors and Assistant Executive Directors) are set out in HKTDC's annual report, which is tabled at the Legislative Council by the Government every year.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010



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

Reply Serial No.

**CEDB(CIT)087**

Question Serial No.

3038

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 Bureau stated that its key areas of work for 2010-11 included working with the trade to improve the operation and governance of the Travel Industry Council of Hong Kong (TIC). Please provide details of the plan and estimated expenditure. What specific measures have the Bureau implemented to monitor the operation of TIC? Will the relevant regulatory mechanism be reviewed and revised? If yes, what is the action plan and estimated expenditure? If no, what are the reasons?

Asked by : Hon. NG Margaret

Reply :

The Travel Industry Council of Hong Kong (TIC) has a membership that covers all local licensed travel agents. As an integral part of the regulatory mechanism for travel agents in Hong Kong, the TIC's scope of work includes drawing up codes of good practice for the travel sector as well as handling complaints and non-compliance cases. In response to the motion passed at the meeting of the Legislative Council Panel on Economic Development (ED Panel) on 16 July 2009, the government is reviewing the operation of the TIC. In fact, the TIC has already implemented various new initiatives in recent months to enhance the transparency of its operation and internal governance. These include uploading the agendas and minutes of TIC's meetings to its website for members' reference and strengthening the participation of Government and representatives from non-trade sectors in its various committees. We will report to the ED Panel on the outcome of the review and continue to work with the tourism sector and the TIC to follow up on the review findings, to ensure that the TIC will contribute as much as possible to the development of our tourism industry.

The above review is conducted with existing resources.

As the business of TIC members are closely related to the interests of both outbound and inbound travellers, it is essential that the Government closely monitors its finances and other aspects of operations. On its finances, TIC is required under the Travel Agents Ordinance to submit to the Secretary for Commerce and Economic Development each year the estimates of its income and expenditure in respect of the next financial year. On its daily operations,

representatives of the Tourism Commission (TC) participate in meetings of the Board and its various committees as member or observer. TC also maintains close contact with TIC to provide advice and assistance on matters related to the tourism market and development of the industry, the operating environment of travel agents, tourist protection, as well as the financial position of TIC, so as to facilitate TIC's regulatory work and its effective use of resources.

TIC was specified a "public body" under the Prevention of Bribery Ordinance (Cap. 201) in 1990 and all its Directors are therefore "public servants" subject to the regulation of the Ordinance. With the assistance of the Independent Commission Against Corruption, TIC issued the General Code of Conduct for the TIC Board of Directors to ensure that its Directors discharge their duties in an impartial and honest manner with the objective of protecting the interest of both the consumers and the travel industry.

We consider the above monitoring mechanism is operating effectively. We will continue to work with TIC and keep a close watch on its operational efficiency.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)088**

Question Serial No.

3039

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 operation of the Mega Events Fund (MEF), would the Bureau please inform this Committee:

- (a) the number of events approved under MEF in 2009-10; the nature, amount of subsidy granted, number of participants and amount of visitor spending for each of these events;
- (b) the estimated amount of subsidy to be granted and number of events to be approved under MEF in 2010-11; the projected number of overseas visitors that may be attracted to Hong Kong and the potential economic benefits thus generated by these events;
- (c) whether the Bureau will make provision for reviewing the operation and effectiveness of MEF in 2010-11? If yes, what is the action plan and estimated expenditure? If no, what are the reasons?

Asked by : Hon. NG Margaret

Reply :

- (a) The Mega Events Fund (MEF) was established in May 2009 following funding approval of the Finance Committee of the Legislative Council. Since then, a maximum sum of \$27.2 million has been approved to support seven mega arts, cultural and sports events to be held in Hong Kong. Details of the seven projects and their respective upper limit of funding are provided in the table below. As the organisers are required to fulfil funding conditions and return any operating surplus to the Government, the actual amount of funding can only be determined after project completion and Government's scrutiny of the audited accounts and evaluation reports submitted by the organisers.

<b>Project title</b>	<b>Nature</b>	<b>Time</b>	<b>Number of participants</b>	<b>Upper limit of funding</b>
Swire “Symphony Under the Stars”	Large-scale outdoor classical concert	13 November 2009	18 000	\$1.4 million
Hong Kong Tennis Classic 2010	International tennis tournament	6-9 January 2010	14 320	\$9 million
Mui Wo Water Lantern and Sky Lantern Festival	Traditional cultural activity	26-29 March 2010	42 650	\$1.5 million
Hong Kong 2010 International a cappella Festival	Large-scale musical festival	27 March - 22 April 2010	13 050	\$0.8 million
Hong Kong Musical Festival	Large-scale musical opera festival	29 March - 21 April 2010	40 300	\$2.5 million
Hope and Glory	Large-scale multi-media arts exhibition	8 April - 30 May 2010	60 154	\$2 million
Louis Vuitton Hong Kong Trophy	International yacht racing competition	9-23 January 2011	19 940	\$10 million

On top of attracting more visitors, stimulating spending and creating employment, mega events can also add colour and vibrancy to Hong Kong, raise Hong Kong’s international profile and promote Hong Kong as the “Events Capital of Asia”. After completion of the events, we will analyse the data collected from organisers and other parties (such as the Hong Kong Tourism Board) in order to assess the economic benefits brought by mega events to Hong Kong.

- (b) The number of mega events to be supported by MEF in 2010-11, as well as their funding amount, number of participants and tourism benefits, will depend on the number of applications received and how many of them can successfully pass the assessment procedures. Amongst the seven events supported by MEF, four will be held in 2010-11, which are expected to attract over 130 000 participants, including over 18 800 visitors, and create over 860 jobs.

- (c) The Tourism Commission (TC) has been reviewing the operation and effectiveness of MEF from time to time having regard to the experience accumulated since the Fund's establishment. In 2010-11, TC will employ existing manpower and resources to carry out this work without incurring additional expenses.

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>18.3.2010</u>

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

Reply Serial No.

**CEDB(CIT)089**

Question Serial No.

3064

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

Subhead (No. & title):

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:

Regarding the use of the Hong Kong Convention and Exhibition Centre (HKCEC) and its extension:

- (a) What are the numbers of local exhibitions held at the HKCEC and its extension in the past three years, i.e. from 2007 to 2009, and what are the utilisation rates?
- (b) What are the numbers of local exhibitions organised by the Hong Kong Trade Development Council at the HKCEC and its extension in the past three years, i.e. from 2007 to 2009, and what are the numbers of those by private exhibition organisers?

Asked by: Hon. NG Margaret

Reply:

- (a) The numbers of local exhibitions held at the Hong Kong Convention and Exhibition Centre (HKCEC) and its extension (including the Atrium Link Expansion (ALE)) and utilisation rates<sup>1</sup> are as follows:

<b>Year</b>	<b>Number of exhibitions</b>	<b>Average monthly utilisation rate (%)</b>	<b>Utilisation rate during peak seasons (%) (average utilisation rate for April and October )</b>
2007	105	53.87	102.53 <sup>2</sup>
2008	111	56.17	107.24 <sup>2</sup>
2009	109	48.60	84.97

<sup>1</sup> The utilisation rates are calculated on the basis of the total dedicated exhibition spaces of HKCEC. Before completion of ALE, the relevant area was 46,296 square metres. From April 2009 onwards after the opening of the ALE, the relevant area increased to 65,874 square metres.

<sup>2</sup> Utilisation rates exceeding 100% suggest that the dedicated exhibition spaces are inadequate to meet demands, and non-exhibition spaces such as meeting rooms and foyers were used for relevant trade fairs.

- (b) The numbers of local exhibitions organised by the Hong Kong Trade Development Council (HKTDC) and other private exhibition organisers at HKCEC and its extension (including the ALE) are as follows:

<b>Year</b>	<b>Number of exhibitions organised by HKTDC</b>	<b>Number of exhibitions organised by private exhibition organisers</b>
2007	27	78
2008	27	84
2009	30	79

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

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

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)090**

Question Serial No.

3137

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

Subhead (No. & title):

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:

Regarding the exhibitions organised by the Hong Kong Trade Development Council (HKTDC) and the expenditure involved, please provide information on:

- (a) the numbers of local exhibitions organised by the HKTDC in the past three years, i.e. 2007-2009, and the numbers of those by private exhibition organisers;
- (b) the numbers of participating companies and attendance of the local exhibitions organised by the HKTDC in the past three years, i.e. 2007-2009, and the numbers of those by private exhibition organisers;
- (c) the amounts of expenditure involved in the exhibitions organised by the HKTDC in the past three years, i.e. 2007-2009, and the percentages they account for in the HKTDC's overall operating expenditure in the respective years; and
- (d) the amounts of revenue generated from the exhibitions organised by the HKTDC in the past three years, i.e. 2007-2009.

Asked by: Hon. NG Margaret

Reply:

- (a) The numbers of the local exhibitions organised by the Hong Kong Trade Development Council (HKTDC) and private exhibition organisers at the two major exhibition venues in Hong Kong (i.e. Hong Kong Convention and Exhibition Centre and Asia World-Expo) in 2007-2009 are tabulated as follows:

<b>Year</b>	<b>No. of exhibitions organised by HKTDC</b>	<b>No. of exhibitions organised by private exhibition organisers</b>
2007	33	102
2008	33	106
2009	34	109



- (b) The numbers of participating companies and visitors for the local exhibitions organised by HKTDC at the aforementioned two major venues in 2007-2009 are tabulated as follows:

	<b>2007</b>	<b>2008</b>	<b>2009</b>
No. of participating companies	27,668	28,106	28,488
No. of buyers	581,857	574,177	568,248
General public	1,296,440	1,272,084	1,373,045
Total attendance	1,878,297	1,846,261	1,941,293

We do not have the numbers of participating companies and visitors for the exhibitions organised by private exhibition organisers.

- (c) & (d) The amounts of expenditure involved in the local exhibitions organised by HKTDC at the aforementioned two major venues, the percentages they accounted for in HKTDC's overall operating expenditure, and the revenue generated by them are tabulated as follows:

	<b>2007</b>	<b>2008</b>	<b>2009**</b>
Total no. of exhibitions	33	33	34
Total exhibition expenditure*	\$700 million	\$676 million	\$767 million
Exhibition expenditure as percentage of HKTDC's overall operating expenditure	35%	34%	36%
Total exhibition revenue	\$1,006 million	\$1,024 million	\$1,125 million

*Note: \*The total exhibition expenditure only covers direct costs which do not include apportionment of HKTDC's staff costs, office expenditure and IT expenses, etc.*

*\*\*Figures to be finalized at the end of financial year.*

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

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

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)091**

Question Serial No.

1725

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 further enhancement of existing tourist attractions and facilities which include the Aberdeen Tourism Project, enhancement of the Lei Yue Mun waterfront, enhancement of the footbridges in Tsim Sha Tsui East and the development of a piazza in Tsim Sha Tsui, please provide details of the respective enhancement plans, including the additional manpower required and expenditures involved.

Asked by : Hon. PAN Pey-chyou

Reply :

The requisite information on the above projects is set out below:

(1) Aberdeen Tourism Project

The proposed scope of works includes improving passenger boarding or disembarking facilities, redesigning/constructing hard and soft landscapes to highlight the theme of a fishing village and providing additional plantings etc.; erecting additional signage and setting up kiosk(s) for selling snacks and souvenirs, and providing visitors with tourist information; carrying out landscape improvement works along the waterfront area of Aberdeen and Ap Lei Chau, and setting up display boards to promote the temples of traditional fishing villages and to facilitate visits to these temples; and enhancing the streetscapes of Ap Lei Chau Main Street and other adjacent streets. The concerned department is carrying out the design work which is anticipated to be completed within this year. As the project is still at the initial design stage, no works expenditure and additional staffing will be incurred in 2010-11.

(2) Lei Yue Mun Waterfront Enhancement Project

The scope of works includes the construction of a public landing facility, a breakwater, a waterfront promenade and five lookout points along the Lei Yue Mun waterfront, improvement of the existing viewing platform, landscaping of the footpath linking the various lookout points, and construction of a new viewing terrace. The relevant works departments are working on the detailed design and the required statutory procedures for gazettal of the project works. As the project is still at the design stage, no expenditure for works and additional staffing will be incurred in 2010-11.

(3) Enhancement of Footbridges in Tsim Sha Tsui East

The project aims to enhance the two existing footbridges across Mody Road and Salisbury Road in Tsim Sha Tsui East including refurbishment of the footbridges, replacement of the existing ramps with lifts, and associated works such as re-paving of footpaths. The approved project estimate is \$71.4 million. Works have commenced in the third quarter of 2009 for completion in the third quarter of 2011. An estimated expenditure of \$30.5 million will be incurred in 2010-11, and about 78 job opportunities will be created.

(4) Development of a Piazza in Tsim Sha Tsui

The project scope includes the development of an open piazza at the harbour-front site next to the Tsim Sha Tsui Star Ferry Pier, and the construction of an adjacent turnaround which can accommodate a number of bus stops and a taxi stand. The piazza will provide a new public open space for leisure enjoyment by both the locals and visitors and for staging events, whereas the new turnaround will enable the site to retain its function as a land-sea interchange. Works for the new turnaround were gazetted last year and we are following up with the views collected according to the statutory procedures. No expenditure for works and additional staffing will be incurred in 2010-11.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)092**

Question Serial No.

2620

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

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 :

The 2010-11 provision for the programme is \$1.7 million of 17.3% higher than the revised estimate for 2009-10, which according to the Analysis of Financial and Staffing Provision, is mainly due to the creation of 1 position of Political Assistant. Yet the \$1.97 million earmarked provision for the position in 2009-10 was not spent. In this connection, will the Administration explain the reasons for that? Please also provide the timetable for the realization of the creation of the position.

Asked by : Hon. SHEK Lai-him, Abraham

Reply :

The provision earmarked in the 2009-10 Original Estimates was not spent because the position has not yet been filled. Regarding the filling of the outstanding position of the Political Assistant in the Commerce and Economic Development Bureau, it will be filled when suitable candidate is identified.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)093**

Question Serial No.

0666

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 total annual expenditure of the Hong Kong Tourism Board over the past three financial years (i.e. 2007-08 to 2009-10) on media consultancy cost, production cost of advertisements and Announcements in the Public Interest (APIs) as well as expenses for renting / purchasing (if any) / publishing / displaying advertisements and APIs ? What is the estimated expenditure in this area for the new financial year (i.e. 2010-11)?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The total expenditure incurred by the Hong Kong Tourism Board (HKTB) for media consultancy, production of advertisements and Announcements in the Public Interest (APIs), as well as for renting / purchasing / publishing / displaying advertisements and APIs from 2007-08 to 2009-10, and the estimated expenditure for the above in 2010-11 are as follows:

<b>2010-11 Budget Estimates HK\$ M</b>	<b>2009-10 Revised Estimates HK\$ M</b>	<b>2008-09 Actual Expenditure HK\$ M</b>	<b>2007-08 Actual Expenditure HK\$ M</b>
98.03	133.2	90.53	91.62

The HKTB has already set clear performance indicators for its different promotional initiatives, such as using website page views to measure the effectiveness of its web promotions and media publicity value to evaluate public relations activities. These indicators are also commonly used in the market.

On the monitoring of the HKTB's operations, the Commissioner for Tourism, as Deputy Chairman of the HKTB, takes part in the work of the HKTB's Board and Committees and examines the HKTB's work plans. Officers in the Tourism Commission assist the Commissioner in carrying out the monitoring work. Furthermore, the HKTB is required to submit to the Controlling Officer (the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)) quarterly reports on its work. The

Secretary for Commerce and Economic Development approves the HKTB's annual programme of proposed activities and estimates of its income and expenditure in accordance with the legislation. The HKTB accounts are also required to be audited by an independent auditor.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)094**

Question Serial No.

0667

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 is the total amount of annual rental and administrative expenses for the local offices, worldwide offices and overseas representatives offices of the Hong Kong Tourism Board (HKTB)? Given the wide accessibility of internet nowadays, has HKTB considered replacing its offices around the globe with virtual offices to save on public expenditure and downsize its establishment?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The rental and administrative expenditure of the local office, the four Mainland offices, and 11 worldwide offices of the Hong Kong Tourism Board (HKTB) in 2010-11 is estimated at HK\$37.45 million. As for the six overseas representative offices, they are appointed by the HKTB under contractual agreements to conduct marketing activities in specific source markets. The representative offices are responsible for their own operating expenses, while the HKTB shoulders the administrative cost associated with the maintenance of a dedicated team for preparing the annual work plan, submitting regular work reports and collecting market intelligence. The estimated expenditure in this regard in 2010-11 is HK\$4.94 million.

Leveraging on the increased popularity of the Internet, the HKTB has already made wider use of information technology in its promotion work, such as enhancing the functions of its website and co-operating with travel portals and social media networks to market Hong Kong. This will enable tourists overseas to obtain tourism information on Hong Kong more conveniently. Nevertheless, in conducting its promotions in different source markets, the HKTB needs to maintain regular communication and liaison with the local travel trade and media in the respective markets. Therefore, it will be premature to replace the worldwide offices with virtual ones at this stage.

HKTB conducts regularly reviews on the set-up of its worldwide offices and representative offices to ensure that it matches the HKTB's promotion strategies. In conducting the review, the HKTB takes into account the latest trends in different source markets, such as their long-term development potential, visitor arrival growth trends, the social, economic, political environment, as well as their airline carrying capacity. The HKTB will continue to closely monitor the market needs and technological development, and use the most suitable model for launching its promotion in different markets.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010



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

Reply Serial No.

**CEDB(CIT)095**

Question Serial No.

0668

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 :

Which and how many major cruise industry events will see the presence of the Hong Kong Tourism Board in the coming year (i.e. 2010-11)? What is the projected expenditure in this respect? Moreover, in which and how many key Mainland cities will Hong Kong/Taiwan cruise itineraries be promoted? What is the estimated expenditure in this area of work?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2010-11, the Hong Kong Tourism Board (HKTB) will increase its presence in a number of major cruise industry events. This is to promote Hong Kong as a leading regional cruise hub and to step up publicity on the latest development of the new cruise terminal at Kai Tak to pave way for the commissioning of the first berth in mid-2013, and to attract cruise companies to deploy more vessels to Hong Kong. These events include the Cruise3sixty in Vancouver and the Seatrade All Asia Cruise Convention in Shanghai, both to be held in June this year; the China Cruise Industry Development Summit in the Mainland in October or November; and the Seatrade Cruise Shipping Miami in the United States in March next year. The HKTB's estimated expenditure on this aspect is about \$1.5 million.

The measure announced by the Central People's Government last year allowing Mainland tour groups travelling to Taiwan by taking cruise vessels homeporting in Hong Kong helps further develop Hong Kong's cruise industry. Leveraging on the measure, the HKTB has devised comprehensive strategies and collaborated with the relevant international cruise companies and the travel trade to launch promotion programme in a number of major Mainland provinces and cities, including the Guangdong Province, Shanghai, Hangzhou, Nanjing and Beijing. Such promotion programme includes partnering with the travel agents and the cruise companies to place advertisements in newspapers and travel magazines to publicise cruise tourism and the Hong Kong/Taiwan itineraries to Mainland consumers. The HKTB's estimated budget on promoting Hong Kong/Taiwan cruise itineraries is about \$1.1 million in 2010-11.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

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

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)096**

Question Serial No.

0872

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, and through what policy, will the Hong Kong Tourism Board “focus on” bidding mega conventions and foster strategic partnership with convention organisers in the new financial year (i.e. 2010-11)?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Meetings and Exhibitions Hong Kong (MEHK) Office was established under the Hong Kong Tourism Board in November 2008, specialising in promoting MICE (Meetings, Incentive Travels, Conventions and Exhibitions) tourism. In 2010-11, MEHK will implement the following initiatives to attract more conventions to Hong Kong:

- Conducting a series of promotional activities in various target markets such as the United States and Europe, and working with government Economic and Trade Offices, Hong Kong Trade Development Council and Invest Hong Kong to enhance the brand image of Hong Kong as a premier destination for conventions;
- Assisting event organisers to identify and bid for large-scale conventions, and liaising with organisations of industries with growth potential, so as to proactively lobby and bid for more conventions to be staged in Hong Kong;
- Promoting MICE products and services provided by the local trade to overseas major organisers and event management companies of conventions through participating in overseas trade shows, organising familiarisation visits and seminars for the trade as well as strengthening MEHK's website;
- Providing one-stop professional support to convention organisers, including site inspection, promotion, itinerary planning and hospitality programmes, as well as consultation and referral services for various support and logistical needs;
- Offering a wide range of hospitality arrangements, including setting up dedicated immigration counters at the airport, with a view to providing visitors of major conventions with convenience; and

- Partnering with the travel trade to offer tourism information, products and support services to MICE visitors, and expanding value-added offers on airfares, shopping, sightseeing and dining so as to enrich their travel experience in Hong Kong.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)097**

Question Serial No.

0873

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 :

On the other hand, how will the Hong Kong Tourism Board “focus on” generating attendance for “recurrent exhibitions” and solicit “new industry shows”? What sectors will be included in the “new industry shows”?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Meetings and Exhibitions Hong Kong (MEHK) Office was established under the Hong Kong Tourism Board (HKTB) in November 2008, specialising in promoting MICE (Meetings, Incentive Travels, Conventions and Exhibitions) tourism.

To increase attendance for recurrent exhibitions, MEHK will assist MICE event organisers and event management companies to step up publicity in 2010-11, and partner with the travel trade to expand value-added offers on airfares, shopping, sightseeing and dining to MICE visitors, with a view to stimulating their interest to visit Hong Kong. In addition, to attract more visitors from the Mainland and other places coming to Hong Kong for consumer fairs with local characteristics, the HKTB worked together with the “Hong Kong Brands and Products Expo” and “Hong Kong Book Fair” etc last year to offer discounts to visitors. In 2010-11, the HKTB will consider continuing these measures in order to help achieve higher turnouts for these exhibitions.

In respect of soliciting new industry shows, MEHK will continue to participate in overseas trade shows, organise familiarisation visits and seminars in 2010-11, as well as work with the trade, government Economic and Trade Offices, Hong Kong Trade Development Council and Invest Hong Kong to promote Hong Kong as a premier destination for exhibitions of all sectors. MEHK will also proactively lobby exhibition organisers in various target markets such as the United States, United Kingdom and Germany to stage new industry shows in Hong Kong. Since its establishment, MEHK has been working to attract more new industry shows to be held in Hong Kong. The Asia Funeral Expo held last year is one of the successful examples. Exhibitions which will be staged for the first time in Hong Kong include this year's Cartes in Asia and the Asian Seafood Exposition.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)098**

Question Serial No.

0874

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 many resources are required for the two initiatives mentioned above and what are the corporate performance indicators specified?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In the 2008-09 Budget, an additional \$150 million was earmarked over the following five years to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital, and to seek to host more mega international conventions and exhibitions in Hong Kong. The Meetings and Exhibitions Hong Kong (MEHK) Office was established under the Hong Kong Tourism Board (HKTB) in November 2008, specialising in promoting MICE (Meetings, Incentive Travels, Conventions and Exhibitions) tourism. In 2010-11, the Government will continue to allocate \$30 million out of this additional funding to the HKTB for implementing this task. Since the HKTB will flexibly deploy resources in response to changing needs and the majority of the publicity activities can simultaneously promote meetings, incentive travels, conventions and exhibitions, there is no breakdown of expenditure figures on different items.

To ensure proper use of resources, the HKTB has specified some quantifiable indicators to measure MEHK's performance on MICE promotion. These include:

- Number of leads generated through the HKTB's proactive liaison with MICE event organisers and corporations;
- Number of bids for MICE events supported by the HKTB;
- Number of visitors benefiting from value-added offers;
- Number of new MICE products developed;
- Number of marketing and communications activities organised;
- Satisfaction level of MICE visitors; and
- MICE event organisers' awareness of Hong Kong as a premier MICE destination.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010



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

Reply Serial No.

**CEDB(CIT)099**

Question Serial No.

0875

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 was the expenditure used by the Hong Kong Tourism Board last year (i.e. 2009-10) on initiatives to drive growth in “Meetings, Incentive Travels, Conventions and Exhibitions” and revamp “Hong Kong Rewards” privileged programme? What is the effectiveness of such initiatives? How much revenue has been generated for Hong Kong?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Meetings and Exhibitions Hong Kong (MEHK) Office was established under the Hong Kong Tourism Board (HKTB) in November 2008, specialising in promoting MICE (Meetings, Incentive Travels, Conventions and Exhibitions) tourism.

In 2009, MEHK provided support to 1 090 MICE events. Amongst them, 590 have been secured following MEHK's proactive lobbying efforts and would be held in Hong Kong in 2009-13. These new MICE events are expected to bring in over 150 000 additional MICE visitors. Under the concerted efforts of the trade and the HKTB, Hong Kong received 1.16 million overnight MICE visitors in 2009, a slight decrease of 0.2% over 2008 despite the global economic crisis. Hong Kong also won the titles of “Favourite City in the World” and “Best Business City in the World” in a number of polls organised by the MICE trade.

In 2009-10, the Government has allocated \$30 million, out of the additional \$150 million earmarked in the 2008-09 Budget for strengthening MICE promotion, to the HKTB for promoting MICE tourism. In 2010-11, the Government will continue to allocate \$30 million to the HKTB for implementing this task. Revamping the “Hong Kong Rewards” privileged programme is an important initiative of MEHK in 2010-11, and the related expense will be subsumed in the aforesaid funding of \$30 million for 2010-11. Since the HKTB will flexibly deploy resources in response to changing needs and the majority of the publicity activities can simultaneously promote meetings, incentive travels, conventions and exhibitions, there is no breakdown of expenditure figures on different items.

Signature

Name in block letters

MISS YVONNE CHOI

Post Title

Date

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

18.3.2010

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

Reply Serial No.

**CEDB(CIT)100**

Question Serial No.

0876

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 is the expenditure reserved by the Hong Kong Tourism Board for the new financial year (i.e. 2010-11) on promotional initiatives in this regard (i.e. driving growth in "Meetings, Incentive Travels, Conventions and Exhibitions" and revamping "Hong Kong Rewards" privileged programme)? Have any indicators been set for assessing the effectiveness of such initiatives?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In the 2008-09 Budget, an additional \$150 million was earmarked over the following five years to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital, and to seek to host more mega international conventions and exhibitions in Hong Kong. The Meetings and Exhibitions Hong Kong (MEHK) Office was established under the Hong Kong Tourism Board (HKTB) in November 2008, specialising in promoting MICE (Meetings, Incentive Travels, Conventions and Exhibitions) tourism. In 2010-11, the Government will continue to allocate \$30 million out of this additional funding to the HKTB for implementing this task, which also includes revamping the "Hong Kong Rewards" privileged programme. Since the HKTB will flexibly deploy resources in response to changing needs and the majority of the publicity activities can simultaneously promote meetings, incentive travels, conventions and exhibitions, there is no breakdown of expenditure figures on different items.

To ensure proper use of resources, the HKTB has specified some quantifiable indicators to measure MEHK's performance on MICE promotion. These include:

- Number of leads generated through the HKTB's proactive liaison with MICE event organisers and corporations;
- Number of bids for MICE events supported by the HKTB;
- Number of visitors benefiting from value-added offers;
- Number of new MICE products developed;

- Number of marketing and communications activities organised;
- Satisfaction level of MICE visitors; and
- MICE event organisers' awareness of Hong Kong as a premier MICE destination.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)101**

Question Serial No.

0877

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 :

It is mentioned in the estimates of the expenditure that the Hong Kong Tourism Board (HKTB) will focus on 18 top markets and “採取” strategies for strengthening promotion in established long-haul and short-haul markets and in high growth markets.

Would the HKTB explain the meaning of “採取” strategies? Regarding the 18 top markets (which account for 94% of total annual arrivals) mentioned, what will be the respective expenditures used by the HKTB on each market and what are the criteria adopted to determine the amount spent on each market?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2010-11, the Hong Kong Tourism Board (HKTB) will continue to maintain a diversified marketing portfolio focusing on the 18 top source markets to attract visitors to Hong Kong. The strategies to be adopted by the HKTB include stepping up publicity in the established long-haul and short-haul markets as well as high-growth markets, and enhancing promotion in the emerging markets. The words “採取” in the Chinese version of the Draft Estimates, which was a proofreading error, should read “採取”.

The marketing budgets of the HKTB for the 18 top source markets are set out below <sup>Note (1)</sup>:

	<b>2010-11 Proposed Budget (HK\$ million)</b>
<b><i>Growth Markets - sub total</i></b>	<b><i>106.5</i></b>
The Mainland	61.1
Taiwan	19.7
Australia	10.7
South Korea	10.5

Philippines	4.5
<b><i>Emerging Markets – sub total</i></b>	<b><i>18.4</i></b>
India	10.0
Middle East	4.3
Russia	4.1
<b><i>Established Markets – sub total</i></b>	<b><i>47.4</i></b>
United States	16.1
Japan	14.3
United Kingdom	8.8
Canada	4.6
Singapore	3.6
<b><i>Secondary Markets – sub total</i></b>	<b><i>15.6</i></b>
Malaysia	4.2
Germany	3.4
Thailand	3.3
France	3.2
Indonesia	1.6

In allocating resources for different source markets, the HKTB has taken into account the current visitor arrivals, tourism expenditure, and the existing and long-term growth potential of the markets, as well as their importance to the overall tourism development of Hong Kong. The HKTB will closely monitor the latest developments in different source markets and where necessary, adjust its marketing strategies and re-deploy resources to ensure their proper and most effective use.

Note (1): Because of rounding-off, there may be slight difference between the aggregation of individual markets and the “sub-total” figures.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)102**

Question Serial No.

0878

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 addition to Macau and Shanghai, what and how many other cities and South East Asian countries are selected by the Hong Kong Tourism Board for developing multi-destination travel products in the new financial year (i.e. 2010-11)?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In addition to Macau and Shanghai, the Hong Kong Tourism Board will co-operate with a number of Mainland cities, namely Shenzhen, Guangzhou, Beijing, Sanya, Haikou, Xian, Guilin, Kunming and Lijiang, etc. as well as Thailand, Malaysia and Bali in Indonesia, to promote multi-destination travel products in various source markets, including Japan, South Korea, the United States, Canada and Germany in 2010-11.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)103**

Question Serial No.

0879

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 partnership projects will be included under “multi-destination travel products”? What is the projected expenditure for developing these products?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Hong Kong Tourism Board (HKTB) will proactively develop and promote multi-destination travel products featuring Hong Kong, the Mainland (the Pearl River Delta region in particular), Taiwan and Southeast Asia. The key initiatives include:

- co-operating with the Guangdong Provincial Tourism Administration. The HKTB will launch promotion targeted at overseas Chinese residing in long-haul markets such as the United Kingdom, the United States, Australia and Canada. This will be done through various channels such as the overseas organisations of the Guangdong Province, the overseas Chinese business/trade associations, and the database maintained by the Guangdong Provincial Government's Overseas Chinese Affairs Office. The promotion will include “multi-destination” tourism products featuring Guangdong and Hong Kong, and distribution of the latest information about Hong Kong's attractions and shopping offers, so as to encourage stopover visits to Hong Kong by overseas Chinese on their way to and from the Guangdong Province;
- working with the travel trade in various long-haul markets, including Australia, the United Kingdom, the United States, Canada, Germany and France, to promote multi-destination itineraries featuring Hong Kong and Shanghai, so as to encourage visitors to visit Shanghai and Hong Kong during the Shanghai Expo;
- working with the Guangdong Province and Macao to develop Pearl River Delta region multi-destination itineraries, and promote the “144-hour visa facilitation” measure applicable to Guangdong;



- in addition to Guangdong, Shanghai, Beijing and Hainan, co-operate with Mainland cities such as Guilin, Xian, Kunming and Lijiang, to promote multi-destination itineraries;
- ride on the measure announced by the Central People’s Government last year allowing Mainland tour groups travelling to Taiwan by taking cruise vessels homeporting in Hong Kong, collaborate with the relevant international cruise companies and the travel trade to launch promotion programmes in a number of major Mainland provinces and cities, including the Guangdong Province, Shanghai and Beijing, encouraging Mainland visitors to travel from Hong Kong to Taiwan by taking cruise vessels; and
- co-operate with selected Southeast Asian destinations to promote “city and beach” combo packages featuring Hong Kong.

The estimated marketing budget of the HKTB for the above initiatives is approximately \$12.3 million in 2010-11.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)104**

Question Serial No.

0880

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 methods and indicators for assessing the effectiveness of multi-destination travel products?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

By co-operating with travel destinations of which the tourism strength is complementary to that of Hong Kong to develop multi-destination travel products, the Hong Kong Tourism Board (HKTB) aims to attract travellers to visit different destinations in the same trip, thereby enriching their travel experience. In light of this, the HKTB has been actively organising the local trade to visit the Mainland and overseas markets, where they can explore co-operation with their trade partners in developing and promoting relevant products.

In recent years, a growing number of arrivals to Hong Kong also visit neighbouring destinations during their trip. It shows that the multi-destination itinerary products have become more and more popular and there are more diversified products in the market. It is also evident that the relevant promotional efforts of the HKTB have seen some concrete results. The HKTB will closely monitor the development of products, such as the number of products in the markets and the itineraries concerned, as well as the trend for visitors to travel on multi-destination itineraries, to evaluate its development strategies and ensure effective use of its resources.

Signature

Name in block letters

MISS YVONNE CHOI

Post Title

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

Date

18.3.2010

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

Reply Serial No.

**CEDB(CIT)105**

Question Serial No.

0881

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 will Hong Kong Tourism Board ride on the consumer database of the Guangdong Provincial Tourism Administration to select overseas markets and promote Overseas Chinese Tourism Year?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

“Overseas Chinese Tourism Year” is the marketing theme adopted by the Guangdong Provincial Tourism Administration (GDPTA) this year. In co-operation with the GDPTA, the Hong Kong Tourism Board will launch promotion targeted at overseas Chinese residing in long-haul markets such as the United Kingdom, the United States, Australia and Canada. This will be done through various channels such as the overseas organisations of Guangdong Province, the overseas Chinese business/trade associations, and the database maintained by the Guangdong Provincial Government’s Overseas Chinese Affairs Office. The promotion will include “multi-destination” tourism products featuring Guangdong and Hong Kong, and distribution of the latest information about Hong Kong’s tourism attractions and shopping offers, so as to encourage stopover visits to Hong Kong by overseas Chinese on their way to and from the Guangdong Province.

Signature \_\_\_\_\_

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

**MISS YVONNE CHOI**

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)106**

Question Serial No.

0882

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 programmes are included in the Overseas Chinese Tourism Year to attract tourists to Hong Kong?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

“Overseas Chinese Tourism Year” is one of the major promotional initiatives of the Guangdong Provincial Tourism Administration (GDPTA) in 2010, which aims to attract ethnic Chinese in overseas markets to visit Guangdong.

Together with the GDPTA, the Hong Kong Tourism Board (HKTB) will work with the Chinese business/trade associations in long-haul markets such as the United Kingdom, the United States, Australia and Canada in promoting through road shows “multi-destination” tourism products which have the theme of the “Overseas Chinese Tourism Year” and feature Guangdong and Hong Kong to the overseas Chinese residing in these places. At the same time, the HKTB will distribute the latest information about Hong Kong’s tourism attractions and shopping offers, so as to encourage stopover visits to Hong Kong by overseas Chinese on their way to and from the Guangdong Province.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)107**

Question Serial No.

0883

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 will the Hong Kong Tourism Board leverage the Expo 2010 Shanghai to develop “multi-destination products featuring Hong Kong”?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

To make use of the opportunities offered by the Shanghai Expo, the Hong Kong Tourism Board (HKTB) has been joining hands with the travel trade in various long-haul markets, including Australia, the United Kingdom, the United States, Canada, Germany and France to promote multi-destination itineraries featuring Hong Kong and Shanghai.

The Shanghai Expo, apart from attracting a huge number of visitors from around the world, will also draw big crowds of Mainland residents to Shanghai. The HKTB will therefore launch a major promotion and advertising campaign in Shanghai during the Expo period to reinforce the destination brand of Hong Kong among these overseas and Mainland visitors. It will also co-operate with Hong Kong's business sector to roll out travel incentives with a view to encouraging visitors to make a side-trip to Hong Kong while visiting the Shanghai Expo.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)108**

Question Serial No.

0884

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 tourism products will be included in the “multi-destination products featuring Hong Kong”?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2010-11, the Hong Kong Tourism Board (HKTB) will co-operate with Macau and a number of Mainland cities, including Shenzhen, Guangzhou, Beijing, Shanghai, Sanya, Haikou, Xian, Guilin, Kunming and Lijiang, etc. as well as Thailand, Malaysia and Bali in Indonesia, to promote multi-destination travel products in various source markets, including Japan, South Korea, the United States, Canada and Germany. These products include:

- “Hong Kong Plus” travel product series: the itineraries feature visits to Hong Kong and Mainland cities, such as Shanghai, Beijing, Sanya or Haikou;
- Pearl River Delta tour packages: these products include the Hong Kong/Macau and Hong Kong/Shenzhen tours under the “A Day in Two Cities” programme, and themed itineraries bundling the attractions of Hong Kong, Macau and Pearl River Delta, such as visits to cultural and heritage attractions or theme parks of the three destinations; and
- Hong Kong Asia tour packages: these itineraries combine Hong Kong with beach destinations in Southeast Asia, such as Thailand, Malaysia and Bali in Indonesia.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)109**

Question Serial No.

0885

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 overall income and expenditure of the Travel Agents Registry, its change in staffing establishment and the adjustment in the remuneration of its staff for the coming financial year of 2010-11? Could such information be included in the budget for 2010-11 for the inspection of Councillors and members of the public so that they may raise questions to the bureau(x) concerned when necessary?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Travel Agents Registry (TAR) is set up by the Tourism Commission under the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau. Its revenue and expenditure are reflected under Subhead 152 of Head 11 and Programme (6) Travel and Tourism of Head 152 respectively.

The establishment, estimated revenue and expenditure of the TAR for 2010-11 are as follows:

Establishment	Estimated revenue (\$ million)	Estimated expenditure (\$ million)	
		Remuneration	Others
14	7.209	6.095	2.047

The estimated revenue for 2010-11 is about \$5.253 million higher than the revised estimate of \$1.956 million for 2009-10. The reason is that the relief measures, effective from 1 July 2009, of waiving travel agents licence application fee and licence fee for 12 months, will expire on 30 June 2010.

The TAR has maintained an establishment of 14 since its formation in 1985. In the early days, the TAR's main role was to issue travel agents licences to outbound travel agents and conduct financial surveillance on travel agents under the Travel Agents Ordinance (TAO). In response to the continuous development of tourism, the TAR keeps expanding its functions. Since 1993, the TAR has taken up the daily administration of the Travel Industry

Compensation Fund Management Board and the Travel Industry Compensation Fund. After the implementation of the Package Tour Accident Contingency Fund Scheme in 1996, the TAR has assumed responsibility for the daily management of the Scheme. In 2002 when the TAO was amended to introduce a regulatory regime for inbound travel agents, the TAR took on the work to issue licences to inbound travel agents without additional resources. All along, the TAR has been handling extra workload and embracing new challenges due to expanded functions by flexible redeployment of existing resources.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010



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

Reply Serial No.

**CEDB(CIT)110**

Question Serial No.

0886

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 does the Commerce and Economic Development Bureau monitor the expenditure of the Travel Agents Registry for each financial year to ensure its proper use and cost-effectiveness? If this has been done, would the Administration provide the monitoring and assessment reports of the past three years from 2007-08 to 2009-10? If not, would the Administration make the assessment at once and submit a report to the Legislative Council as soon as possible?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Travel Agents Registry (the Registry) is set up under the Tourism Commission of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau, with the Commissioner for Tourism overseeing its daily operation.

The Registry also submits annual performance reports to the Advisory Committee on Travel Agents (the Committee), which set out, inter alia, the standards achieved in its various service areas. The Committee, comprising members from various sectors, professionals and travel agents, is a statutory advisory body established under the Travel Agents Ordinance (Cap. 218) to advise the Chief Executive on matters relating to the administration of the Ordinance.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)111**

Question Serial No.

0887

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 :

Similar to issues of building management which are difficult to be handled by a single department in a holistic manner, tourism-related responsibilities in the government are also distributed among different departments.

In the new financial year (i.e. 2010-11), has the Government allocated any provision or planned to engage any consultancy to study the feasibility of consolidating the various tourism-related departments so as to achieve savings and improve administrative efficiency? If yes, how much provision has been reserved and what are the relevant steps of study; if not, will immediate action be taken to look into the matter?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

Under the existing government structure, tourism policy falls under the policy portfolio of the Secretary for Commerce and Economic Development. The Tourism Commission (TC), headed by the Commissioner for Tourism, is tasked to take charge of tourism policy. If a tourism subject matter involves other policy bureaux or departments, the TC will co-operate and work closely with the relevant bureaux or departments. The Policy Secretary and Permanent Secretary would also help resolve any problems. In 2010-11, the government has no plans to engage any consultancy to change the above structure and has not made any provisions for this purpose.

Many policy areas are in fact related to tourism, e.g. air and sea transport and immigration policies etc. It may not be the most effective set-up to have one policy bureau or department to handle all these subjects. We believe various tourism-related matters can be handled effectively under the current structure and we have no plans at present to change this arrangement.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)112**

Question Serial No.

0888

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 :

Does the Government intend to merge the two agencies, namely the Tourism Commission and the Travel Industry Council of Hong Kong, into a Government department in the coming financial year (i.e 2010-11)?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Government does not intend to merge the Tourism Commission (TC) and the Travel Industry Council of Hong Kong (TIC).

The TC was established in 1999 under the Commerce and Economic Development Bureau and is tasked with formulating tourism policy, handling and co-ordinating policy matters on tourism with government departments and other organisations, enhancing Hong Kong's tourism facilities, and supporting the development of new attractions, etc. The TC is also responsible for monitoring the operations of the Hong Kong Tourism Board and the TIC.

The TIC has a membership that covers all local licensed travel agents. As an integral part of the regulatory mechanism for travel agents in Hong Kong, the TIC's scope of work includes drawing up codes of good practice for the travel sector as well as handling complaints and non-compliance cases. At present, under the provisions of the Travel Agents Ordinance (Cap. 218), any person who carries on business as a travel agent in Hong Kong must be a member of the TIC before applying for a travel agent's licence from the Travel Agents Registry.

The TC and TIC have different roles and responsibilities in facilitating the development of tourism and regulating the travel trade. We do not think it necessary or appropriate to merge the two.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)113**

Question Serial No.

0889

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 :

Has the Government conducted any studies to find out whether merging the Tourism Commission and the Travel Industry Council of Hong Kong will be conducive to the implementation of tourism policy, the rationalisation of administration, the streamlining of establishment and cost-saving? If yes, what are the results? If no, will the Government undertake to earmark expenditure in the coming financial year for conducting such a study immediately?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Government does not intend to merge the Tourism Commission (TC) and the Travel Industry Council of Hong Kong (TIC).

The TC was established in 1999 under the Commerce and Economic Development Bureau and is tasked with formulating tourism policy, handling and co-ordinating policy matters on tourism with government departments and other organisations, enhancing Hong Kong's tourism facilities, and supporting the development of new attractions, etc. The TC is also responsible for monitoring the operations of the Hong Kong Tourism Board and the TIC.

The TIC has a membership that covers all local licensed travel agents. As an integral part of the regulatory mechanism for travel agents in Hong Kong, the TIC's scope of work includes drawing up codes of good practice for the travel sector as well as handling complaints and non-compliance cases. At present, under the provisions of the Travel Agents Ordinance (Cap. 218), any person who carries on business as a travel agent in Hong Kong must be a member of the TIC before applying for a travel agent's licence from the Travel Agents Registry.

The TC and TIC have different roles and responsibilities in facilitating the development of tourism and regulating the travel trade. We do not think it necessary or appropriate to merge the two.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)114**

Question Serial No.

0890

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 Travel Industry Council of Hong Kong (TIC), which is a trade association and not a Government department, requires travel agents to become its members before they can apply for business licences. Such prerequisite may be in contravention of the provision under Article 27 of the Basic Law which protects the freedom of association. Will the suggestion of merging the Tourism Commission and the TIC help clarify the requirement?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Travel Industry Council of Hong Kong (TIC) has a membership that covers all local licensed travel agents. As an integral part of the regulatory mechanism for travel agents in Hong Kong, the TIC's scope of work includes drawing up codes of good practice for the travel sector as well as handling complaints and non-compliance cases. At present, under the provisions of the Travel Agents Ordinance (Cap. 218), any person who carries on business as a travel agent in Hong Kong must be a member of the TIC before applying for a travel agent's licence from the Travel Agents Registry. This arrangement constitutes the two-tier system for regulating travel agents in Hong Kong. It is a legal provision and not a requirement of the TIC. We consider that the two-tier regulatory system has been working effectively in the past years.



In response to the motion passed at the meeting of the Legislative Council Panel on Economic Development (ED Panel) on 16 July 2009, the government is reviewing issues related to the operation of the TIC, including its role under the two-tier regulatory system and whether the requirement under the system is in conformity with the Basic Law. We will report to the ED Panel on the outcome of the review when it is completed.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)115**

Question Serial No.

1962

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 employees of the Hong Kong Tourism Board (HKTB), the Executive Director and senior staff in particular, are general highly paid, and this has drawn much criticism from the public and the media. In this regard, would the Government incorporate in each year's budget the expected salaries, bonuses and fringe benefits as well as the methods for determining the salaries of the HKTB Chairman and senior staff in the coming year, so that the Legislative Councillors and the public may learn about the details in advance and query the relevant bureau when necessary?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Hong Kong Tourism Board (HKTB) determines the salary ranges and benefits for each level of its staff in accordance with the study and recommendations of a human resources consultant. Reference is made to the remuneration and benefits of public and private organisations the nature of business of which is comparable to that of the HKTB. The actual salary of individual staff is determined by his/her qualification, experience, skills as well as performance. In accordance with the Hong Kong Tourism Board Ordinance (Chapter 302), the appointment of the Executive Director and the Deputy Executive Director, and the determination of their remuneration and other terms of appointment, shall be subject to the approval of the Chief Executive (delegated to the Financial Secretary and the Secretary for Commerce and Economic Development respectively). For Band A staff (i.e. Executive Director, Deputy Executive Director, General Managers and Regional Directors), their variable pay will be determined in accordance with the established mechanism, and subject to the approval of the Remuneration Review Committee which comprises members of the HKTB. The Chairman of the HKTB, whose work is of the public service nature, is not paid any remuneration.

Each year, the HKTB publishes its staff cost and remuneration of Band A staff in its Annual Report, a copy of which is tabled at the Legislative Council and uploaded onto the HKTB website for the information of the general public. Members of the Legislative Council and the public thus already have access to information concerning the remuneration of the HKTB staff.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)116**

Question Serial No.

3117

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 additional provision of \$12.0 million (10.5%) earmarked for the Mega Events Fund in the new financial year, i.e. 2010-11, to meet the increased cash flow requirement of the Fund, please provide the details of the reasons for the increase in the new financial year, i.e. 2010-11.

Asked by : Hon. TSE Wai-chun, Paul

Reply :

Following funding approval of the Finance Committee of the Legislative Council in May 2009, the Mega Events Fund (MEF) was established and commenced operation. The first-round invitation for applications was conducted in July 2009, and the funding of approved events is disbursed by instalments (i.e. part of the funding will be released to the event organiser prior to the event so as to facilitate preparatory work, while the rest will be paid out only after project completion and Government's scrutiny of the audited accounts and evaluation reports submitted by the organiser). In view of the above, we expect that the bulk of MEF's cash flow requirement will fall in 2010-11 and 2011-12. Hence we expect that the estimated expenditure of MEF is \$20 million in 2009-10, and \$40 million each in 2010-11 and 2011-12.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

Permanent Secretary for Commerce and  
Economic Development

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

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

18.3.2010



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

Reply Serial No.

**CEDB(CIT)118**

Question Serial No.

3119

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 :

One of the matters requiring special attention of the Hong Kong Tourism Board (HKTB) in 2010-11 is to “create an umbrella year-round offer with strategic partners like credit card companies and shopping malls to cross-sell Hong Kong”

- (a) Regarding the above “matter requiring special attention”, how will the HKTB partner the credit card companies and what promotional activities will be carried out to promote Hong Kong? What will be the estimated expenditure for the partnership with the credit card companies?
- (b) Which and how many “shopping malls” will the HKTB partner in promoting Hong Kong? What are the specific partnership plans and promotional activities? What will be the estimated expenditure?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2010-11, the Hong Kong Tourism Board (HKTB) will co-operate with banks and card issuing authorities in the Mainland, local credit card companies and shopping malls to launch publicity activities during the six promotional periods of the “Festive Hong Kong 2010” and other peak travel seasons so as to encourage visitors to come and spend in Hong Kong.

- (a) In 2010-11, the HKTB plans to launch promotion with banks and card issuing authorities in the Mainland during three long holiday periods (Lunar New Year, Labour Day and National Day). The promotion will feature special shopping offers and privileges for Mainland visitors to entice their visits and spending. The estimated expenditure for the above promotion is \$1.5 million.

Besides, to enlarge the scale of the events and strengthen the publicity, the HKTB will join hands with credit card companies to launch promotion (such as lucky draw) during the mega event period (such as Hong Kong Summer Spectacular and Hong Kong WinterFest) to stimulate visitors' spending. The HKTB will also seek for sponsorship

and support from credit card companies, and make use of their diverse and effective promotional channels to disseminate information about the latest offers and mega events in Hong Kong to the target visitor segments. Since these initiatives are part of the promotional efforts of the mega events, the related expenditure is included in the budget for the mega events, and cannot be listed separately.

- (b) Throughout the year, the HKTB will co-operate with about 20 large shopping malls in major tourist districts (such as Tsim Sha Tsui, Causeway Bay and Sha Tin) to promote themed activities of interest to visitors, and to bundle shopping and dining offers by the shopping malls so as to stimulate visitors' spending. These promotions create a win-win situation by attracting travellers to visit Hong Kong, generating business opportunities for the participating parties and local tourism-related sectors, and enabling visitors to enjoy offers of great value. These initiatives will be implemented with the existing manpower and resources of the HKTB (such as its website and promotional materials for mega events), and will 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	18.3.2010

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

Reply Serial No.

**CEDB(CIT)119**

Question Serial No.

3120

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 :

One of the matters requiring special attention about the Hong Kong Tourism Board (HKTB) in 2010-11 is to “solicit global TV networks to produce lifestyle TV programmes featuring Hong Kong to maximize exposure of Hong Kong”. Which and how many “global TV networks” would HKTB invite to produce TV programme? What is the expenditure on this item?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2010-11, the Hong Kong Tourism Board (HKTB) will invite global TV networks such as AXN, Discovery Channel, National Geographic, CNBC, BBC World, Travel Channel and Global TV, to come to Hong Kong to cover the diverse tourism appeal of the city. Through either news coverage or special features, the TV networks can report on Hong Kong's attractions, Chinese and Western festivals, mega events, major sports and cultural events, as well as our countryside. The HKTB will also discuss with them co-producing travelogues of Hong Kong.

Depending on the mode of co-operation with these networks, the HKTB will provide financial assistance to the crew in respect of air tickets and hotel accommodation, as well as ground expenses, such as transportation and meals, or to share part of the production cost. To minimise the level of assistance, the HKTB will actively liaise with local hotels, airlines, attractions and other travel trade partners to sponsor or support the crew during their stay in Hong Kong.



In 2010-11, the total estimated expenditure for receiving international media (including different kinds of print and electronic media) in Hong Kong to produce news features and for co-production of travelogues is \$7.2 million. As inviting TV networks to come to Hong Kong is a year-round effort, and it is uncertain at this stage how many TV networks will accept the invitations, there is no separate breakdown in this respect.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)120**

Question Serial No.

3121

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 :

Apart from the International Dragon Boat Festival, how will the Government promote other festive events under the theme of "Festive Hong Kong 2010"? What does "unique Hong Kong living culture" refer to? What is the estimated expenditure and manpower required for such promotional activities? In addition, how will "Festive Hong Kong 2010" highlight the unique Hong Kong living culture? How will the Government assess the effectiveness of such promotional activities?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In Festive Hong Kong, there will be six promotional periods, namely the Chinese New Year Celebrations in January and February, the Cultural Celebrations in May (including the Cheung Chau Bun Festival and celebrations for the birthdays of Tam Kung, Tin Hau and Buddha); the Hong Kong Summer Spectacular from June to August (including the Dragon Boat Festival); the Halloween Treats in September and October (including the Mid-Autumn Festival); the Wine and Dine Month in November; and the Hong Kong WinterFest in December.

The Hong Kong Tourism Board (HKTB) will launch a series of promotions targeted at consumers in Hong Kong and source markets in various formats and in different channels. Examples include:

- Invite international media and the travel trade to come to Hong Kong for familiarisation visits;
- Make use of the latest digital media (such as mobile phone games and travel websites) to target the promotion at the young segment; and
- Co-operate with the travel trade to develop tourism products on a festival-theme and roll out special offers.

The above promotions aim at raising visitors' knowledge of and interest in the festivals and celebrations of Hong Kong, and encourage them to come and experience the festivities. The projected expenditure on Festive Hong Kong promotions in both Hong Kong and the source markets, including the staging and promoting related activities, is estimated at HK\$240 million in 2010-11.

Hong Kong's fusion of the East and the West and the contrast between the new and the old, as well as its plethora of festivals and cultural celebrations, reflect the city's history and the colourful lifestyle of its people. All of these hold unique appeal to visitors in the Asian region and around the world. The six promotional periods in Festive Hong Kong mentioned above will showcase our diverse and unique living culture.

The HKTB has set clear performance indicators for measuring the effectiveness of the programmes under Festive Hong Kong. For example, these include visitors' awareness of the events, their overall satisfaction with Hong Kong, the publicity value of the promotions, and the support and participation of the travel trade in the activities, etc. The HKTB will evaluate each event after completion and strive for even better use of resources with the experience gained.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)121**

Question Serial No.

3122

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 is the new model to be adopted by the Hong Kong Tourism Board to operate overseas representative offices? To what extent will the new operating model expand the geographical presence and enhance operational efficiency? How much of the public expenditure is expected to be saved in adopting the new model?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Hong Kong Tourism Board (HKTB) conducts regularly reviews on the set-up of its worldwide offices and representative offices to ensure that it matches the HKTB's promotion strategies. In conducting the review, the HKTB takes into account the latest trends in different source markets, such as their long-term development potential, visitor arrival growth trends, the social, economic, political environment, as well as their airline capacity.

The HKTB is currently conducting a new round of review, including the expansion of the geographical coverage of the HKTB offices in the overseas markets and how to enhance their operational efficiency, etc. Since the review is yet to be concluded, it is not possible to estimate the savings that can be achieved. The HKTB will continue to make effective use of its resources and enhance its operational efficiency, so as to maximise the effectiveness of its promotion.

Signature \_\_\_\_\_

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

**MISS YVONNE CHOI**

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)122**

Question Serial No.

3123

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 initiatives will the Government take to improve the operation and increase the transparency of the TIC in the new financial year (i.e. 2010-11)? Are additional manpower and resources required for related work?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Travel Industry Council of Hong Kong (TIC) has a membership that covers all local licensed travel agents. As an integral part of the regulatory mechanism for travel agents in Hong Kong, the TIC's scope of work includes drawing up codes of good practice for the travel sector as well as handling complaints and non-compliance cases. In response to the motion passed at the meeting of the Legislative Council Panel on Economic Development (ED Panel) on 16 July 2009, the government is reviewing the operation of the TIC. In fact, the TIC has already implemented various new initiatives in recent months to enhance the transparency of its operation and internal governance. These include uploading the agendas and minutes of TIC's meetings to its website for members' reference and strengthening the participation of Government and representatives from non-trade sectors in its various committees. We will report to the ED Panel on the outcome of the review and continue to work with the tourism sector and the TIC to follow up on the review findings, to ensure that the TIC will contribute as much as possible to the development of our tourism industry.

The above review is conducted with existing resources.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)123**

Question Serial No.

3124

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 :

Enhancement of the following tourist attractions and facilities is one of the matters requiring special attention in 2010-11:

- Aberdeen Tourism Project
- enhancement of the Lei Yue Mun waterfront
- beautification of the footbridges in Tsim Sha Tsui East
- development of a piazza in Tsim Sha Tsui

Please provide the details and estimated expenditure for each of the above projects.

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The requisite information on the above projects is set out below:

(1) Aberdeen Tourism Project

The proposed scope of works includes improving passenger boarding or disembarking facilities, redesigning/constructing hard and soft landscapes to highlight the theme of a fishing village and providing additional plantings etc.; erecting additional signage and setting up kiosk(s) for selling snacks and souvenirs, and providing visitors with tourist information; carrying out landscape improvement works along the waterfront area of Aberdeen and Ap Lei Chau, and setting up display boards to promote the temples of traditional fishing villages and to facilitate visits to these temples; and enhancing the streetscapes of Ap Lei Chau Main Street and other adjacent streets. The concerned department is carrying out the design work which is anticipated to be completed within this year. As the project is still at the initial design stage, no works expenditure will be incurred in 2010-11.

(2) Lei Yue Mun Waterfront Enhancement Project

The scope of works includes the construction of a public landing facility, a breakwater, a waterfront promenade and five lookout points along the Lei Yue Mun waterfront, improvement of the existing viewing platform, landscaping of the footpath linking the various lookout points, and construction of a new viewing terrace. The relevant works departments are working on the detailed design and the required statutory procedures for gazettal of the project works. As the project is still at the design stage, no expenditure for works will be incurred in 2010-11.

(3) Enhancement of Footbridges in Tsim Sha Tsui East

The project aims to enhance the two existing footbridges across Mody Road and Salisbury Road in Tsim Sha Tsui East including refurbishment of the footbridges, replacement of the existing ramps with lifts, and associated works such as re-paving of footpaths. The approved project estimate is \$71.4 million. Works have commenced in the third quarter of 2009 for completion in the third quarter of 2011. An estimated expenditure of \$30.5 million will be incurred in 2010-11.

(4) Development of a Piazza in Tsim Sha Tsui

The project scope includes the development of an open piazza at the harbour-front site next to the Tsim Sha Tsui Star Ferry Pier, and the construction of an adjacent turnaround which can accommodate a number of bus stops and a taxi stand. The piazza will provide a new public open space for leisure enjoyment by both the locals and visitors and for staging events, whereas the new turnaround will enable the site to retain its function as a land-sea interchange. Works for the new turnaround were gazetted last year and we are following up with the views collected according to the statutory procedures. No expenditure for works will be incurred in 2010-11.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)124**

Question Serial No.

3125

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 motion urging the Government to reconsider developing the Fisherman's Wharf in Aberdeen was passed by the Legislative Council Panel on Economic Development at its meeting on 27 April 2009. In this connection, has the Government reserved funding for reviving the development plan of the Fisherman's Wharf in the new financial year (i.e. 2010-11)? If yes, how much has been reserved? If no, please explain why the motion passed by the Panel on Economic Development is disregarded.

Asked by : Hon. TSE Wai-chun, Paul

Reply :

To expedite the implementation of the Aberdeen Tourism Project, we proposed to the Legislative Council Panel on Economic Development on 27 April 2009 that the Government should fund the improvement works for the promenades on both sides of the Aberdeen Harbour to showcase the ambience of a fishing village. We will also enhance the streetscapes of Ap Lei Chau Main Street and other adjacent streets to highlight the characteristics of the traditional fishing village in Aberdeen in order to strengthen the tourism appeal of the area.

We are pushing ahead with the aforesaid works which mainly include :

- improving passenger boarding or disembarking facilities, re-designing / constructing hard and soft landscapes to highlight the theme of a fishing village and providing additional plantings etc. ;
- erecting additional signage and setting up kiosks for selling snacks and souvenirs, and providing visitors with tourist information;
- carrying out landscape improvement works along the waterfront area of Aberdeen and Ap Lei Chau, and setting up display boards to promote the temples of traditional fishing villages and to facilitate visits to these temples; and



- enhancing the streetscapes of Ap Lei Chau Main Street and other adjacent streets.

The concerned department is carrying out the design for the above beautification works at an estimated cost of \$1M. The design is expected to be completed within this year. In addition, we have set up an inter-departmental working group to explore how to enrich the Project, including :

- examining the feasibility from planning, environment and transport perspectives of converting the works areas of South Island Line (East) and Harbour Area Treatment Scheme located under the Ap Lei Chau Bridge into a dining cum entertainment zone featuring seafood cuisine upon completion of the related works (expected to be around 2015);
- exploring the feasibility of providing appropriate dining and tourism facilities at the Aberdeen Wholesale Fish Market without affecting its daily operation and the traffic in the vicinity;
- examining whether the “Class II Stationary Vessels” along the Aberdeen promenade can be preserved and revitalised with a view to turning them into tourist attractions; and
- exploring how the transport setting near Ap Lei Chau Main Street can be improved so as to facilitate visitors and local residents to visit the area.

We will brief the Legislative Council Panel on Economic Development once the initial findings of the above study are available.

Since the Project is still at the initial design stage, no works expenditure will be incurred in 2010-11.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)125**

Question Serial No.

1690

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 efforts did the Administration make to promote honest tourism and hospitality culture in the past so as to enhance the service quality of Hong Kong tourism industry? Will there be new ways of promotion for 2010-11? If yes, what are the details and the expenditure involved? If not, what are the reasons?

Asked by : Hon. WONG Kwok-hing

Reply :

The government has been making every effort to enhance consumer protection for visitors and promoting a hospitality culture, to enable visitors to enjoy their travel experience in Hong Kong, and to sustain our tourism appeal.

Honest and Quality Tourism

On promotion of honest and quality tourism, in addition to enhancing law enforcement and refinement of existing legislation, the government, in collaboration with the tourism trade and related organisations, has launched a series of initiatives ranging from promoting quality tourism products, stepping up promotion on smart consumption awareness, and combating unscrupulous practice of individual trade members.

To promote the "Quality and Honest Hong Kong Tours" (Q&H Tours) products, the Hong Kong Tourism Board (HKTB) has set up dedicated counters in 18 major Mainland cities and online portals which are assessable throughout the Mainland. These products are guaranteed free from compulsory self-paid activities, guided shopping and imposition of surcharge. The Consumer Council of Hong Kong started the "Shopsmart" website in 2007 to provide Mainland tourists with tips on smart consumption in Hong Kong. The website is hyperlinked with the websites of many consumer organisations and tourism authorities in the Mainland.

The Travel Industry Council of Hong Kong (TIC) has also launched a number of initiatives to strengthen trade regulation, including the extension of the "100% Refund Guarantee" at registered shops as a further step to enhance consumer protection for Mainland visitors. On

trade regulation, the TIC requires Hong Kong travel agents to ensure the itineraries of the Mainland inbound group tours received by them are the same as those in the tour confirmation agreements signed with the Mainland tour operators, and to register the agreements with the TIC before the group tours arrive in Hong Kong. They are also required to distribute itineraries that set out the detailed programme in Hong Kong to inbound Mainland group tourists so that the latter are clearly aware of the itineraries.

The Tourism Commission (TC) has also been maintaining close liaison with relevant authorities in the Mainland and has regular exchanges with them on the promotion of honest and quality tourism, with a view to refining the regulatory regimes. This will help to achieve sustainable and healthy growth of the tourism industries of the two places.

The above measures have been proven effective. Visitors' awareness on smart consumption has been enhanced. We will continue our efforts in this respect.

### Hospitality Culture

As regards fostering a hospitality culture, the TC has launched the Hong Kong Young Ambassador Scheme (HKYAS) since 2001, with the aim of training young people to be polite and helpful to visitors. Over the past 9 years, more than 1 700 young people have completed the training programme and rendered over 130 000 hours of ambassadorial service (including stationing at tourist spots to introduce the attractions to tourists, and participating in mega and tourism promotional events etc.). Last year, the TC and the Hong Kong Association for Customer Service Excellence joined hands to organise the first "Young Service Stars" programme as part of the HKYAS. The programme, which provides an effective platform for training our young people in pursuit of service excellence through a series of workshops, company visits and projects, has received positive feedback from the schools, youths and their families. It will be the core element of the HKYAS in 2010-11, and the contents for workshops and company visits will be reinforced. The estimated expenditure for running the HKYAS is HK\$1.08 million in 2010-11.

We have also worked with the travel trade in undertaking a number of activities, which include basic training on wine and food matching for Chinese restaurants' catering practitioners, English language training for taxi drivers, a series of seminars and workshops for managerial and frontline staff in the travel trade, as well as customer service workshops for coach drivers. We will continue to explore future co-operation opportunities with the trade to provide more training, with a view to promoting the hospitality culture further and enhancing the service quality of the tourism sector.

In 2010-11, the above work will be continued and covered under existing resources of the TC.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010



Reply :

(a) the number of contracts signed with EAs:

2009-10 (Note 1)	2008-09 (Note 2)	2007-08 (Note 3)
9	9	3

(b) the contract sum and term of service for each EA:

2009-10 (Note 1)		2008-09 (Note 2)		2007-08 (Note 3)	
Contract Sum (\$)	Term of Service	Contract Sum (\$)	Term of Service	Contract Sum (\$)	Term of Service
31,620-429,600	3 – 12 mths	29,952-488,028	2 – 12mths	26,325-393,120	3 -12 mths

(c) the number of workers supplied by each EA and their duties:

	2009-10 (Note 1)	2008-09 (Note 2)	2007-08 (Note 3)
No. of workers	4 – 6	1 - 4	3
Duties	Project Management and General Office Support etc.	Project Management and General Office Support etc.	Project Management and General Office Support etc.

(d) The contracts this Branch enters into with employment agencies only specify the overall service fees charged by the latter in providing agency workers. We normally do not specify the wages of agency workers. Hence, we are unable to provide the information requested.

(e) with regard to (a), (b) and (c) above, the respective numbers and percentage changes for each of the following years:

	2010-11	2009-10 (Note 1)	2008-09 (Note 2)	2007-08 (Note 3)
Number of EAs	This Branch has no further plan to procure services of EAs at this point in time	2 (-33.4%)	3 (200%)	1 (0%)
Total contract sum of each EA		\$1,479,563 (-14.4%)	\$1,727,823 (163.6%)	\$655,395 (225.3%)
Average term of service for EAs		3 – 12 mths	2 – 12 mths	3 – 12 mths
Total number of workers supplied by each EA		10 (11.1%)	9 (200%)	3 (200%)
Pay of workers (highest, median and lowest) supplied by EAs		Please see the reply at item (d) above.		

*Figures in ( ) denote percentage changes*

(f) 4.9% (Note 1).

(g) In 2009-10, the expenditure for procuring services from EAs accounts for about 0.25% of the departmental expenditure (Note 1).

Note: 1. Position as at 30.9.2009  
2. Position as at 31.3.2009  
3. Position as at 31.3.2008

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)127**

Question Serial No.

2192

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 list in the table below information on the employment of temporary staff to provide services:

	2010-11	2009-10	2008-09	2007-08
Total number of temporary staff	( )	( )	( )	( )
Total expenditure on salaries of temporary staff employed	( )	( )	( )	( )
Percentage of temporary staff employed in the total number of staff in the department	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by : Hon. WONG Kwok-hing

Reply :

This Branch has not employed any temporary staff during the period 2007-08 to 2009-10, and we do not have any plan to employ temporary staff in 2010-11.

Signature

Name in block letters

Post Title

Date

MISS YVONNE CHOI

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

18.3.2010

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

Reply Serial No.

**CEDB(CIT)128**

Question Serial No.

2193

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 provide the following information on the employment of non-civil service contract (NCSC) staff to provide services:

	2010-11	2009-10	2008-09	2007-08
Number of NCSC staff	( )	( )	( )	( )
Total expenditure on the salaries of NCSC staff	( )	( )	( )	( )
Average length of employment of NCSC staff	( )	( )	( )	( )
Number of NCSC staff converted to civil servants on permanent terms	( )	( )	( )	( )
Number of NCSC staff who had chances for conversion but failed to do so	( )	( )	( )	( )
Percentage of NCSC staff in the total number of staff in the department	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by : Hon. WONG Kwok-hing

Reply :

	2010-11 (Note 1)	2009-10 (Note 2)	2008-09	2007-08
Number of NCSC staff	--	16 (-27.3%)	22 (+10%)	20 (+150%)
Total expenditure on the salaries of NCSC staff	--	\$5,337,986 (+14%)	\$4,681,329 (+35%)	\$3,462,907 (+221.6%)
Average length of employment of NCSC staff	--	2.3 (+64.3%)	1.4 (27.2%)	1.1 (+189.2%)
Number of NCSC staff converted to civil servants on permanent terms	--	0	0	0
Number of NCSC staff who had chances for conversion but failed to do so	--	0	0	0
Percentage of NCSC staff in the total number of staff in the department	--	7.8 (-3%)	10.8 (+0.4%)	10.4 (+3.1%)

*Figures in ( ) denote year-on-year changes*



- Note:
1. The figures for 2010-11 are normally not available as the requirements vary over time in accordance with the changing service needs.
  2. Position as at 28.2.2010

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>18.3.2010</u>

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

Reply Serial No.

**CEDB(CIT)129**

Question Serial No.

2194

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 provide information on outsourced services (including property management, security, cleansing, telecommunications and information technology, statistics, etc., but excluding construction works) in the format set out below:

	2010-11	2009-10	2008-09	2007-08
Total number of outsourced service contracts	( )	( )	( )	( )
Total value of outsourced service contracts	( )	( )	( )	( )
Total number of workers employed under outsourced service contracts	( )	( )	( )	( )
Number of workers employed under outsourced service contracts who can be replaced by permanent staff employed by the Government	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by : Hon. WONG Kwok-hing

Reply :

Information on outsourced services under Head 152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) is as follows -

	2010-11	2009-10	2008-09	2007-08
Total number of outsourced service contracts	15 (-25%)	20 (-41%)	34 (-8%)	37 ( - )
Total value of outsourced service contracts	\$0.897 million (-36%)	\$1.393 million (+71%)	\$0.816 million (+6%)	\$0.769 million ( - )
Total number of workers employed under outsourced service contracts	1 ( - )	1 ( - )	1 ( - )	1 ( - )
Number of workers employed under outsourced service contracts who can be replaced by permanent staff employed by the Government	0 ( - )	0 ( - )	0 ( - )	0 ( - )

*Figures in ( ) denote year-on-year changes*

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)130**

Question Serial No.

2045

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

Subhead (No. & title):

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 many career expositions were organised by the Hong Kong Trade Development Council for young people in 2009-10? What were the dates and venues of the expositions and the number of visitors? What was the expenditure involved?

Asked by: Hon. WONG Sing-chi

Reply:

The Hong Kong Trade Development Council organised two events relating to education and career in 2009-10. Details are as follows:

Name of event	<b>Education &amp; Careers Expo</b>	<b>Entrepreneur Day</b>
Date	4-7 February, 2010	30 May, 2009
Venue	Hall 1, Hong Kong Convention and Exhibition Centre	Hall 1, Hong Kong Convention and Exhibition Centre
Number of exhibitors	Over 540	Over 110
Number of visitors	Over 90 000	Over 7 700
Expenditure	Approximately \$ 5.6 million *	\$ 2.2 million

\* The figure may be adjusted upon finalization of the statement of income and expenditure.

Signature \_\_\_\_\_

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

**MISS YVONNE CHOI**

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)131**

Question Serial No.

2046

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

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 many career expositions does the Hong Kong Trade Development Council plan to hold for young people in 2010-11? What is the estimated expenditure?

Asked by: Hon. WONG Sing-chi

Reply:

The Hong Kong Trade Development Council will organise two events relating to education and career in 2010-11, namely the Entrepreneur Day to be held in June 2010 and the Education & Career Expo to be held in February 2011. The estimated expenditure for the two events is \$7.8 million.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ MISS YVONNE CHOI

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

Date \_\_\_\_\_ 18.3.2010

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

Reply Serial No.

**CEDB(CIT)132**

Question Serial No.

2050

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 Administration mentioned in paragraph 26 of the 2009-10 Budget Speech about “earmarking \$100 million to assist organisers to host more attractive events in the areas of arts, culture and sports over the next three years ... It is expected that such activities will create some 2 800 jobs”. In this connection, please provide the following information:

- (a) The themes and expenditure of events hosted in 2009-10, and the number of jobs they created.
- (b) The themes and estimated expenditure of events to be hosted from 2010-11 to 2011-12, and the number of jobs they are to create.
- (c) Discounting those created in 2009-10, how many of the above 2 800 jobs will the Administration expect to offer employment for more than a year in the coming two years (i.e. from 2010-11 to 2011-12)?

Asked by : Hon. WONG Sing-chi

Reply :

- (a) & (b) The Mega Events Fund (MEF) was established in May 2009 following funding approval of the Finance Committee of the Legislative Council. Since then, a maximum sum of \$27.2 million has been approved to support seven mega arts, cultural and sports events to be held in Hong Kong. Amongst them, three events are held in 2009-10 while four will take place in 2010-11. All these events are expected to create over 2 400 jobs. On top of attracting more visitors, stimulating spending and creating employment, mega events can also add colour and vibrancy to Hong Kong, raise Hong Kong's international profile and promote Hong Kong as the “Events Capital of Asia”.

Details of the seven projects and their respective upper limit of funding are provided in the table below. As the organisers are required to fulfil funding conditions and return any operating surplus to the Government, the actual amount of funding can only be determined after project completion and Government's scrutiny of the audited accounts and evaluation reports submitted by the organisers.

<b>Project title</b>	<b>Nature</b>	<b>Time</b>	<b>Number of jobs created</b>	<b>Upper limit of funding</b>
Swire "Symphony Under the Stars"	Large-scale outdoor classical concert	13 November 2009	214	\$1.4 million
Hong Kong Tennis Classic 2010	International tennis tournament	6-9 January 2010	845	\$9 million
Mui Wo Water Lantern and Sky Lantern Festival	Traditional cultural activity	26-29 March 2010	about 500	\$1.5 million
Hong Kong 2010 International a cappella Festival	Large-scale musical festival	27 March - 22 April 2010	about 13	\$0.8 million
Hong Kong Musical Festival	Large-scale musical opera festival	29 March - 21 April 2010	about 250	\$2.5 million
Hope and Glory	Large-scale multi-media arts exhibition	8 April - 30 May 2010	about 100	\$2 million
Louis Vuitton Hong Kong Trophy	International yacht racing competition	9-23 January 2011	about 500	\$10 million

The number of mega events to be supported by MEF in the next two years, as well as their nature, funding amount and number of jobs created etc., will depend on the number of applications received and how many of them can successfully pass the assessment procedures. As mentioned above, four events supported by MEF will be held in 2010-11 involving a maximum funding of \$15.3 million. Altogether they would create over 860 jobs.

(c) As outlined in (a) & (b) above, the seven events supported by MEF would create over 2 400 jobs. The number of jobs to be created by events supported by MEF in the next two years and their employment duration will depend on the nature and needs of individual events.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010



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

Reply Serial No.

**CEDB(CIT)133**

Question Serial No.

0023

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 :

For 2010-11, the relevant financial provision is estimated to be increased to 150.5 (million dollars), representing a slight increase of 3.0% over that of 2009-10. As the economy of Hong Kong has not fully recovered, the Administration should step up efforts in promoting our economy as well as business facilitation measures. Under such circumstances, why is there only a slight increase of the provision? Does it imply a lack of new initiatives on the part of the Administration in taking forward the relevant work?

Asked by : Hon. WONG Ting-kwong

Reply :

The provision under Programme (2) is mainly for the salaries, allowances, other operating expenses and general non-recurrent expenditure related to the work of formulating commerce and industry policies. Provision for 2010-11 (\$150.5 million) is \$4.4 million (3.0%) higher than the revised estimate for 2009-10 (\$146.1 million). This is mainly due to increased salary provision arising from staff changes and increased cash flow requirement for non-recurrent items.

The expenses for the implementation work of measures in relation to commerce and industry will be separately borne by other relevant departments and organisations. Policies and work to step up Hong Kong's economy and business facilitation are set out in the ensuing paragraphs.

As regards support for small and medium enterprises (SMEs), we will continue to monitor the operation of the SME Funding Schemes to ensure that they provide appropriate support to the industries. We will also continue to maintain close liaison with the Mainland authorities and the trade, to provide necessary support to the Hong Kong enterprises operating in the Mainland, to enable them to restructure, upgrade and tap the Mainland domestic market.

In addition, we will oversee the effective implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement, including measures for early and pilot implementation in Guangdong, and seek to conclude more market liberalisation and trade and investment facilitation measures.

To assist Hong Kong exporters to sustain their business and develop new markets, the Hong Kong Export Credit Insurance Corporation (ECIC) will review and seek to enhance its services on a regular basis. ECIC has also decided to extend the provision of free buyer credit check services to exporters and its annual policy fee waiver.

Invest Hong Kong will continue to encourage and assist overseas, Mainland and Taiwan companies, with the potential to contribute to Hong Kong's economic and strategic development, to set up and expand their operations here through reaching out to individual companies, seminars, marketing and advertising campaigns. In the coming year, Invest Hong Kong will also strengthen its aftercare services to better support those companies already set up in Hong Kong.

As regards trade facilitation, the Government has been actively pursuing measures to facilitate trade and movement of goods. For example, the Customs and Excise Department will soon roll out the electronic Road Cargo System to provide seamless customs clearance for cross-boundary trucks.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)134**

Question Serial No.

0024

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:

Among the key performance measures in respect of promoting Hong Kong's external trade, the estimated number of trade and services promotion events for 2010-11 is reduced by 10 over 2009-10, while the number of local fairs to be held in 2010-11 is only one more than that of 2009-10. On what considerations are the estimates based? Is the estimated expenditure of \$374.5 m, which represents just a 1.0% increase over last year, sufficient to meet the future expenses of the Hong Kong Trade Development Council?

Asked by: Hon. WONG Ting-kwong

Reply:

When drawing up its annual promotion plan, the Hong Kong Trade Development Council (HKTDC) will review its activities in the preceding year and, taking into account the latest market conditions, adjust its strategies and make changes to its project lists. In 2009-10, due to the financial turmoil, HKTDC considered it necessary to launch additional measures to help Hong Kong's enterprises acquire business orders. As such, TDC's promotion events totalled 784 in 2009, representing a substantial increase by 59 over the total number of 725 in 2008. When drawing up its annual promotion plan for 2010-11, HKTDC has reviewed and decided to discontinue some of its projects (which were added in 2009-10 but are no longer in great demand), taking into account the gradual stabilisation of the global economy. Nevertheless, the total number of events for 2010 will stand at 774, which is still 49 more than the total number of 725 in 2008. As regards exhibitions, HKTDC has been organising some 30 local fairs annually and will continue to enhance the quality of these fairs to attract more exhibitors and buyers. HKTDC will monitor market developments closely and adjust the content and number of its promotion events as appropriate.

The Government subvention of \$374.5 million to HKTDC for 2010-11 makes up 16.4% of HKTDC's estimated total expenditure for the year. Nevertheless, as there have been surpluses in HKTDC's income and expenditure account in recent years, we consider that HKTDC will have adequate resources to carry out its promotion events. TDC will, as always, make best use of its resources and the Government subvention to promote Hong Kong's export trade.

Signature  
Name in block letters

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

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Post Title  
Date

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18.3.2010

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

Reply Serial No.

**CEDB(CIT)135**

Question Serial No.

0025

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 HKTDC will assist Hong Kong companies to explore new opportunities in niche sectors, and highlight a favourable and green image of Hong Kong products. In this connection, will the HKTDC strengthen its efforts in organising Hong Kong brandname products exhibitions in the Mainland for Hong Kong enterprises in the future? If yes, what are the specific plans? What is the estimated expenditure to be involved? If no, what are the reasons?

Asked by : Hon. WONG Ting-kwong

Reply :

The Hong Kong Trade Development Council (HKTDC) has been actively conducting various promotion campaigns in the Mainland to showcase Hong Kong's branded products and services to Mainland consumers. As regards large-scale exhibitions, HKTDC organised three "Style Hong Kong" shows in Mainland cities in 2009-10. They were well received and attracted a large number of Hong Kong exhibitors and Mainland consumers visiting the shows. In 2010-11, HKTDC will step up its efforts in this area and organise five "Style Hong Kong" shows in Fuzhou, Shenyang, Shanghai, Jinan and Guangzhou. The total budget for the five promotion events amounts to \$54.72 million.

Signature \_\_\_\_\_

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

**MISS YVONNE CHOI**

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)136**

Question Serial No.

0026

Head: 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 (HKTDC) seeks to promote Hong Kong as an ideal platform for doing business with the Mainland. However, it seems that this function will be diminished with the signing of the Economic Cooperation Framework Agreement between the Mainland and Taiwan. How will this affect the work of HKTDC? What is the future work plan of its Taipei Office to strengthen bilateral economic cooperation between Taiwan and Hong Kong and help promote our trade activities?

Asked by: Hon. WONG Ting-kwong

Reply:

The Hong Kong Trade Development Council (HKTDC)'s Taiwan Office was established to ensure Hong Kong could position itself to take advantage of the business opportunities arising from the improving cross-strait trade and economic relations. The proposed Economic Cooperation Framework Agreement under discussion will not affect HKTDC's works in this respect.

In 2010-11, the Taiwan Office will step up its efforts in promoting exchanges between Hong Kong and Taiwan in the areas of trade and economic co-operation. Apart from continuing to encourage Taiwanese exhibitors and buyers to join Hong Kong's trade fairs, the Office will focus its efforts in promoting Hong Kong's professional services (for example, logistics, finance, arbitration, advertising and marketing etc.), with a view to helping Taiwanese businessmen leverage on the Hong Kong business platform to enter the Mainland's domestic market as well as channeling Mainland's capital to investments in Taiwan through the Hong Kong platform.

HKTDC will work with various Taiwanese industry associations to foster collaboration between Taiwanese brands and Hong Kong's service providers through using Hong Kong as an intermediary and base for accessing the Mainland's domestic market. In addition, HKTDC will strengthen its cooperation with the major industry associations in Taiwan to promote Hong Kong's service sectors with potential for development in Taiwan, for example, the real estate, infrastructure and creative and entertainment industries. HKTDC will also continue to work closely with the Hong Kong Exchanges to promote the advantages of listing in Hong Kong to Taiwanese enterprises and industries. Moreover, HKTDC will encourage

Taiwan's science research institutes and tertiary institutions to make use of HKTDC's promotion platform and business matching service in Hong Kong to commercialise their R & D deliverables.

HKTDC's Taiwan Office will give full support to the Hong Kong-Taiwan Business Co-operation Committee, a mechanism for promoting bilateral trade, to be established by the Hong Kong and Taiwanese governments.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

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

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)137**

Question Serial No.

0278

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

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 the establishment of China-ASEAN Free Trade Area (CAFTA) on 1 January 2010, would the Administration please inform this Committee if there is any specific work plans for the challenges and opportunities brought about by the CAFTA? Has the Administration earmarked any additional resources to study and handle matters related to the CAFTA? If yes, what are the expenditure and manpower involved?

Asked by: Hon. WONG Ting-kwong

Reply:

Hong Kong maintains close ties and collaboration with ASEAN members in trade, economy and other areas. With the establishment of the CAFTA, we believe that the regional economic partnership and business activities will be enhanced. Hong Kong will benefit from new opportunities as a result of an increase in total trade and a more efficient allocation of resources in the region.

The HKSAR Government endeavors to strengthen our relation and co-operation with ASEAN members and embrace the new opportunities arising from the latest developments. For instance, Hong Kong signed a Joint Declaration on Strengthening Economic Co-operation with Malaysia on 1 December 2009, aiming to encourage and promote bilateral economic collaboration. This is the first milestone to explore a bilateral free trade agreement (FTA) between Hong Kong and Malaysia.

We are also proactive in negotiating with individual ASEAN trading partners for agreements that are beneficial to the goods and services sectors of Hong Kong. We will continue to explore the possibility of entering into FTAs with other trading partners.

The HKSAR Government will continue to closely monitor and examine the impact of the CAFTA on Hong Kong with existing resources. We will also step up our efforts in enhancing the ties and collaboration with ASEAN members. The Hong Kong Economic and Trade Office in Singapore (Singapore ETO) will conduct visits to ASEAN countries from time to time and meet with relevant officials and local business communities. Singapore ETO will also organise activities to foster closer ties and co-operation with these countries.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ MISS YVONNE CHOI \_\_\_\_\_

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

Date \_\_\_\_\_ 18.3.2010 \_\_\_\_\_



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

Reply Serial No.

**CEDB(CIT)138**

Question Serial No.

0279

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 the past three years (2007-08 to 2009-10), how many exhibitions has the Administration held in places around the world (including Mainland China) to promote Hong Kong brand-names and help Hong Kong's industrial and commercial sector explore new markets? What was the expenditure involved? In 2010-11, what plans does the Administration have to hold exhibitions in other places to promote Hong Kong brand-names? What is the expenditure involved?

Asked by: Hon. WONG Ting-kwong

Reply:

In recent years, the Hong Kong Trade Development Council (HKTDC) has been actively promoting Hong Kong's branded products internationally, with a view to enhancing Hong Kong's reputation as a lifestyle trendsetter. In the past three years (2007-08 to 2009-10), HKTDC organised or participated in a total of 53 brand promotion trade fairs held in Hong Kong and different places around the world (including Mainland China). These activities involved an expenditure of \$277 million.

In 2010-11, HKTDC will step up its efforts in this area. In particular, it will help Hong Kong companies promote their branded products or services to the Mainland and other emerging markets (for example, Eastern Europe and the Middle East, etc.) by organising or participating in 22 brand promotion trade fairs to be held in Hong Kong and different places around the world. These activities will involve an expenditure of about \$124 million.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

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

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)139**

Question Serial No.

0280

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

Subhead (No. & title) :

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:

For the monitoring of the long-term demand for convention and exhibition facilities in Hong Kong, how will the Administration balance and coordinate the development of the Hong Kong Convention and Exhibition Centre and the AsiaWorld-Expo? What specifically is the Administration's plan to address the imbalance in the utilisation rate of the two venues? What is the expenditure involved?

Asked by: Hon. WONG Ting-kwong

Reply:

The Hong Kong Convention and Exhibition Centre (HKCEC) and the AsiaWorld-Expo (AWE) are both major exhibition facilities in Hong Kong and have their own strengths and advantages. The HKCEC, located in downtown areas, has been a popular venue for traditional consumer products shows in Hong Kong. The design of AWE has made it a most suitable venue for hosting exhibitions for heavy-duty equipment. AWE also offers convenient access for exhibitors and visitors from the airport and has superb connections to the Mainland via bus services. Hence, the types of exhibitions held at AWE and AWE's clientele are not exactly the same as those of HKCEC.

Since its commencement of operation, the AsiaWorld-Expo (AWE) has attracted a large number of major exhibitions and conventions in the areas of logistics, technology, aviation and consumer goods from Europe, the USA, Asia and the Mainland. AWE has been in operation for over four years only, and there is still room for further development. The Government has been assisting AWE in improving its utilisation by actively attracting different types of major international exhibitions and conventions to AWE, as well as providing support to their organisers as appropriate. For example, the Asian Aerospace International Expo & Congress is one of the projects receiving strong support from the Government. The Government has also been encouraging exhibition organisers (including the Hong Kong Trade Development Council) to use AWE, for example, to expand their trade shows through the "one show, two venues" arrangement.

The aforementioned co-ordination work is part of the existing work of the Bureau and will be absorbed by the existing resources.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ MISS YVONNE CHOI \_\_\_\_\_

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

Date \_\_\_\_\_ 18.3.2010 \_\_\_\_\_

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

Reply Serial No.

**CEDB(CIT)140**

Question Serial No.

0281

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

Subhead (No. & title) :

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:

When introducing matters requiring special attention in 2010-11, the Bureau mentions that it will “continue to oversee the efforts in exploring with interested trading partners possible means of enhancing bilateral economic co-operation”. Specifically, which trading partners have indicated interests in enhancing bilateral economic co-operation with Hong Kong? What is the Administration’s plan to attract trading partners to strengthen their co-operation with Hong Kong?

Asked by: Hon. WONG Ting-kwong

Reply:

To help open up more business opportunities for the trade, the Government has been actively exploring with our trading partners the possibility to negotiate Free Trade Agreements (FTAs), while upholding our commitment to the primacy of the multilateral trading system. FTAs help strengthen the bilateral trade and economic relationship with our trading partners, and allow our goods and services to gain access to overseas markets under more favourable conditions.

Hong Kong just concluded the negotiations with New Zealand on a Closer Economic Partnership Agreement in November 2009. The Agreement is expected to be signed in the first half of 2010. Besides, Hong Kong and the European Free Trade Association (comprises Iceland, Liechtenstein, Norway and Switzerland) have started negotiations on a FTA in early 2010. The FTA negotiations encompass a wide-ranging scope, with emphasis on trade and investment liberalisation and facilitation.

In addition, Hong Kong signed a Co-operation Arrangement on Trade and Investment Facilitation with Peru in November 2008, and a Joint Declaration on Strengthening Economic Co-operation with Malaysia on 1 December 2009, aiming to encourage and promote bilateral economic co-operation. These initiatives also serve as the first step for further exploring bilateral FTA negotiations between Hong Kong and the trading partners concerned.

Being an international financial centre and the major trading hub in the region, Hong Kong is situated at a strategic geographical location, and is equipped with highly efficient airport and ports, well-developed financial and professional services, comprehensive supporting network, and well-established legal system. Hong Kong plays an important bridging role between the Mainland and the other parts of the world and provides significant contributions to the trade between them in areas such as entrepot trade, financing, management and other professional services. Furthermore, Hong Kong has competitive advantages and ample experience in various service sectors (including financial services, telecommunications, logistics, maritime transport and audio-visual services). Through enhancing the bilateral trade and economic co-operation, Hong Kong enterprises can bring in their experience, knowledge and skills to our trading partners, and thus help create a better environment for the further development of their businesses. With the above competitive advantages, we believe that our trading partners would be interested in enhancing the bilateral economic co-operation with us.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

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

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)141**

Question Serial No.

1657

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 :

There is an increase of 86.5%, i.e. \$9.6 m, in the financial provision for 2010-11. The main reason is to inject \$10 m into the Consumer Legal Action Fund (CLAF). What are the reasons for such injection? In view of the rise in the number of complaints against undesirable trade practices, has the Administration anticipated any future circumstances requiring the use of the CLAF? Is the amount injected sufficient for the purpose?

Asked by : Hon. WONG Ting-kwong

Reply :

The current balance (as at end-February 2010) in the Consumer Legal Action Fund (CLAF) is about \$13.80 million. The Government proposes that \$10 million be injected into CLAF in 2010-11 to provide continued support and legal assistance to eligible applicants with meritorious claims (including cases relating to the Lehman Brothers incident). The Government will closely liaise with the Consumer Council (the trustee of CLAF) and keep in view the financial position of CLAF, to ensure that it has sufficient resources to assist consumers with meritorious claims.

Signature \_\_\_\_\_

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

Miss YVONNE CHOI

Permanent Secretary for Commerce and  
Economic Development

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

(Commerce, Industry and Tourism)

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)142**

Question Serial No.

1672

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 :

Please provide details on the implementation and effectiveness of the SME Loan Guarantee Scheme and the Special Loan Guarantee Scheme. What are the estimated expenditure and manpower involved in 2010-11 in supporting SMEs? The Special Loan Guarantee Scheme will expire in June 2010. If it is not extended, will new measures be introduced to support SMEs and what will be the expenditure involved?

Asked by : Hon Wong Ting-kwong

Reply :

The SME Loan Guarantee Scheme (SGS) has come into operation since December 2001. As at the end of February 2010, the Trade and Industry Department (TID) has approved 22 200 applications, involving a total loan amount of \$29.2 billion. As an on-going initiative, SGS is effective in assisting SMEs to obtain credit facilities from the commercial lending market. To better suit the needs of SMEs, the government implemented a series of enhancement measures in November 2008 to allow more flexibility in the use of the loans.

Since its launch on 15 December 2008, the Special Loan Guarantee Scheme (SpGS) has been well-received by the trade. Apart from effectively alleviating the pressure on enterprises in terms of finance and liquidity, SpGS also helps to stabilize employment. As at the end of February 2010, TID has approved 28 533 applications, involving a total loan amount of over \$69 billion.

Government's work in supporting SMEs is mainly carried out by TID. In 2010-11, TID's estimated expenditure on SME support is \$783.3 million, representing a 50% increase compared to the revised estimate in 2009-10. This area of work involves 96 civil servants and 91 non-civil service contract staff.

SpGS is an exceptional measure which aims to assist Hong Kong enterprises in coping with the global financial crisis. It is a time-limited scheme. The application period has been extended twice till the end of June this year. We will closely monitor the pace of economic recovery in the coming months and decide when to let the credit market resume normal operation.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010



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

Reply Serial No.

**CEDB(CIT)143**

Question Serial No.

1673

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 :

Please give details on the implementation of the Outline of the Plan for the Reform and Development of Pearl River Delta published by the National Development and Reform Commission on 8 January 2009. What is the progress in formulating the Framework Agreement for Hong Kong-Guangdong Co-operation? Are there any plans to deploy manpower and resources in 2010-11 to continue to explore the opportunities for collaboration between Hong Kong, Pearl River Delta and Guangdong Province and to negotiate with the Mainland for more liberalisation in various areas of co-operation for mutual benefits?

Asked by : Hon WONG Ting-kwong

Reply :

“The Outline of the Plan for the Reform and Development of the Pearl River Delta” (the Outline) has elevated Hong Kong-Guangdong co-operation to a national strategic level. One major element in the implementation of the Outline is to draw up a framework agreement for Hong Kong-Guangdong co-operation. The framework agreement will translate the Outline’s macro policies into concrete measures conducive to the development of both places. Since the implementation of the Outline and formulation of the framework agreement involves the work of various Bureaux and Departments of the HKSAR Government, the Constitutional and Mainland Affairs Bureau has assumed the coordinating role.

The work of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau in promoting Hong Kong-Guangdong co-operation include the following:

- (i) Facilitation of regional tourism development – the Outline supports further facilitating the movement of personnel among the Guangdong Province, Hong Kong and Macao regions; the enhancement of the “144-hour facilitation visa” policy and tourism cooperation and development amongst the three places. We will continue to work together with the Guangdong Province to facilitate regional tourism development and

enhance the attractiveness of Guangdong and Hong Kong as travel destinations. Specifically, we will examine the feasibility of introducing further measures to facilitate visits between residents of the two sides and work with the Guangdong side to develop and promote more “multi-destination” tourism products. We hope to explore these measures so as to take advantage of the extension of the “144-hour facilitation visa” policy to the entire Guangdong Province and attract more tourists from both within and outside the region.

- (ii) Customs facilitation – we will enhance co-operation between the customs authorities of the two sides to expedite the flow of cargoes. For example, we are adopting similar data structures in our respective electronic cargo clearance systems to facilitate the trade. We will continue to liaise with the relevant Mainland authorities to explore other possible facilitation measures, with a view to maintaining the competitive advantages of the Guangdong Province and Hong Kong.
- (iii) Promoting the development of service industries – since 2008, the Mainland and Hong Kong have announced various liberalisation measures relating to service industries and the facilitation of trade and investment under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) framework, for early and pilot implementation in the Guangdong Province. These measures have been progressively implemented since 2009. To tie in with the policy direction in the Outline of supporting in-depth cooperation among Hong Kong, Macao and other places in the Pearl River Delta Region in developing modern service industries, we will continue to appeal to the Guangdong authorities to introduce more liberalisation measures for early and pilot implementation in Guangdong.
- (iv) Upgrading and restructuring of the processing trade – the Outline mentions the policy direction of facilitating the upgrading and restructuring of the processing trade and the opening up of the Mainland market for domestic sales. We have been maintaining close dialogue with the Guangdong Province so as to assist Hong Kong enterprises operating in Guangdong to develop along this direction. We will continue to strengthen communication and cooperation with the Guangdong Province; relay to the Guangdong side problems encountered by the trade in the process of upgrading and restructuring and developing domestic sales and discuss with them proposed supportive measures for the trade. We also encourage the trade to make good use of the business matching events and trade fairs organised by the Hong Kong Trade Development Council and the Mainland provinces and cities, so as to open up the Mainland domestic market.
- (v) Protection of Intellectual Property (IP) Rights - we will continue to strengthen our ties with the Guangdong Province to establish a comprehensive cooperation mechanism for enhancing intelligence/information exchange and enforcement relating to intellectual property; refine the "Intellectual Property Database for Guangdong, Hong Kong and Macao"; strengthen IP-related publicity, training, exchanges and collaboration in education and research; take forward the "No Fakes Pledge" Scheme, organise seminars for enterprises and exchanges with IP practitioners and relevant non-government organisations; encourage Hong Kong residents to duly obtain qualifications as patent agents in the Mainland, and facilitate the exchanges and cooperation between IP intermediaries of the two places.
- (vi) Promotion of investment – we adopt a proactive approach in promoting investment flows between Hong Kong and Guangdong. We promote Hong Kong’s competitive edges and investment environment to Guangdong companies through investment promotion activities. We will continue to encourage Guangdong enterprises, through organising seminars and other promotion activities, to use Hong Kong as a gateway to international market. In addition, we will organise joint overseas investment promotion events in collaboration with our Guangdong counterparts to promote the advantages and opportunities offered by Hong Kong and the Greater

Pearl River Delta region, thereby fostering regional economic development.

The above-mentioned work will be done using existing manpower and resources.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism )
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)144**

Question Serial No.

1677

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 Bureau is invited to state: What specific plans and measures are there to boost convention and exhibition as well as MICE (Meetings, Incentive Travels, Conventions and Exhibitions)? What are the promotion approaches, resources involved and past achievements? Are there any plans for additional convention and exhibition facilities? When will the study on the Phase 3 Expansion of the Hong Kong Convention and Exhibition Centre begin? What is the expenditure involved?

Asked by : Hon. WONG Ting-kwong

Reply :

In the 2008-09 Budget, an additional \$150 million was earmarked over the following five years to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital, and to seek to host more mega international conventions and exhibitions in Hong Kong. The Meetings and Exhibitions Hong Kong (MEHK) Office was established under the Hong Kong Tourism Board (HKTB) in November 2008, specialising in promoting MICE (Meetings, Incentive Travels, Conventions and Exhibitions) tourism. In 2010-11, MEHK will implement the following initiatives:

- Conducting a series of promotional activities in various target markets and working with government Economic and Trade Offices, Hong Kong Trade Development Council (HKTDC) and Invest Hong Kong to enhance the brand image of Hong Kong as a premier MICE destination;
- Assisting event organisers to identify and bid for large-scale MICE events, and liaising with organisations of industries with growth potential, so as to proactively lobby and bid for more MICE events to be staged in Hong Kong;
- Promoting MICE products and services provided by the local trade to overseas major organisers and event management companies of MICE events through participating in overseas trade shows, organising familiarisation visits and seminars for the trade as well as strengthening MEHK's website;

- Providing one-stop professional support to MICE event organisers, including site inspection, promotion, itinerary planning and hospitality programmes, as well as consultation and referral services for various support and logistical needs;
- Offering a wide range of hospitality arrangements, including setting up visitor service counters in exhibition venues and dedicated immigration counters at the airport, with a view to providing visitors of major MICE events with convenience; and
- Partnering with the travel trade to offer tourism information, products and support services to MICE visitors, and expanding value-added offers on airfares, shopping, sightseeing and dining so as to enrich their travel experience in Hong Kong.

In 2009, MEHK provided support to 1 090 MICE events. Amongst them, 590 have been secured following MEHK's proactive lobbying efforts and would be held in Hong Kong in 2009-13. These new MICE events are expected to bring in over 150 000 additional MICE visitors. Under the concerted efforts of the trade and the HKTB, Hong Kong received 1.16 million overnight MICE visitors in 2009, a slight decrease of 0.2% over 2008 despite the global economic crisis. Hong Kong also won the titles of "Favourite City in the World" and "Best Business City in the World" in a number of polls organised by the MICE trade.

In 2010-11, the Government will continue to allocate \$30 million, out of the additional \$150 million earmarked in the 2008-09 Budget for strengthening MICE promotion, to the HKTB for carrying out the above tasks.

On HKTDC's proposal for a Phase 3 development of the Hong Kong Convention and Exhibition Centre at a nearby site, the Government is still examining the relevant issues (including its location, design, related planning issues as well as its impacts on the traffic, environment and other public facilities in the vicinity). The Government has not made any decision on the proposal and timetable. We will conduct a public consultation at an appropriate time when there is a concrete proposal. The aforementioned work is part of the existing work of the Bureau and other related bureaux/ departments. It will be absorbed by the existing resources and no additional provision is required.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)145**

Question Serial No.

1683

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 recent years, the issue of online piracy has been getting more serious. What are the major approaches adopted by the Government to combat the crime? Has the Government endeavoured to combat it through publicity and public education? In 2010-11, has the Government allocated resources for the publicity and educational work? If yes, what is the amount?

Asked by : Hon. WONG Ting-kwong

Reply :

The Administration acts to protect intellectual protection rights through a robust legal regime, stringent enforcement and sustained public education activities. We are committed to providing an environment conducive to the sustainable development of creative industries in Hong Kong.

On the enforcement front, Hong Kong Customs has established two Anti-Internet Piracy Teams to combat piracy and counterfeiting activities on the Internet. The rapid changes to the mode of online infringement over time are such that Customs well recognises the need to utilise advanced computer technology and train up investigation officers for the purpose of equipping them with the appropriate enforcement capability.

On the public education front, the Intellectual Property Department will roll out a new series of television APIs in 2010-11, continue to organise talks and interactive dramas in primary/secondary schools as well as collaborate with other organisations in launching a movie clips production competition to promote awareness of and respect for intellectual property rights amongst our teenagers. Separately, Customs will continue to run the Youth Ambassador Against Internet Piracy Scheme to enlist support from members of 11 uniformed groups in combating online piracy, thus helping to uphold a positive attitude towards the protection of intellectual property rights. The expenditure for these activities is about \$1.2 million.

Moreover, the Office of the Government Chief Information Officer has rolled out in September 2009 a one-year territory wide Internet Education Campaign giving guidance to Internet users, especially teenagers, on how to conduct themselves properly online, including respect for intellectual property rights.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)146**

Question Serial No.

1684

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 :

Amidst the uncertainties in the global economy, small and medium enterprises (SMEs) are still facing serious hardship. However, the sector generally considers that the support provided to them in the Budget is very limited and basically only the measure of waiving business registration fees for one year is of some help. What is the stand of the Government towards SMEs? Does the Government think that the policy set out in the Budget is sufficient to help SMEs tide over the difficulties caused by the financial tsunami?

Asked by : Hon Wong Ting-kwong

Reply :

The Government attaches a lot of importance to the development of SMEs. We are very concerned about the impact of the financial tsunami on SMEs. In late 2008, the Government implemented a series of measures to “stabilize the financial system, support enterprises and preserve employment”, including the introduction of a Special Loan Guarantee Scheme (SpGS) with a total loan guarantee commitment of \$100 billion. The SpGS is well-received by the trade. As at the end of February 2010, the Trade and Industry Department (TID) has approved 28 533 applications, involving a total loan amount of over \$69 billion. Apart from effectively alleviating the pressure on enterprises in terms of finance and liquidity, SpGS also helps to stabilize employment.

SpGS is an exceptional measure which aims to assist Hong Kong enterprises in coping with the global financial crisis. It is a time-limited scheme. The application period has been extended twice till the end of June this year. We will closely monitor the pace of economic recovery in the coming months and decide when to let the credit market resume normal operation.

At the same time, TID has been administering other SME funding schemes, including the SME Loan Guarantee Scheme (SGS), the SME Export Marketing Fund (EMF) and the SME Development Fund (SDF). We introduced a series of enhancement measures in late 2008 to allow more flexibility in the use of SGS loans and increase the grant ceiling and scope of EMF. In 2010-2011, TID's estimated expenditure on SME support is \$783.3 million, representing a 50% increase compared to the revised estimate in 2009-10.

Furthermore, to assist Hong Kong exporters to sustain their business and develop new markets, the Hong Kong Export Credit Insurance Corporation (ECIC) will review and seek



to enhance its services on a regular basis. ECIC has also decided to extend the provision of free buyer credit check services to exporters and the waiver for its annual policy fee.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)147**

Question Serial No.

2391

Head : 96 Government Secretariat: Overseas Economic and Trade Offices      Subhead (No. & title) : 000 Operational expenses

Programme : All

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 of the consultations on policy making and assessment under all programmes in the following format. Using the table below, please provide information on the consultations for which funds had been allocated in 2009-10:

Name/Subject of consultation	Revised estimate (\$)	Progress of consultation (under planning/ in progress/ completed)	Mode of consultation (e.g. by means of written submissions, consultation sessions, focus groups), number of consultation exercises, name of organizations and number of people consulted/to be consulted	The Administration's follow-up actions on the consultation results and the progress made (if applicable)	For consultations already completed, were the results publicised? If so, what were the channels? If not, why not?

Asked by : Hon. EU Yuet-mee, Audrey

Reply :

No funds have been allocated for overseas Economic and Trade Offices (ETOs) to conduct consultation on policy making and assessment in 2009-10.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

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

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)148**

Question Serial No.

2392

Head : 96 Government Secretariat: Overseas Economic and Trade Offices      Subhead (No. & title) : 000 Operational expenses

Programme : All

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 of the consultations on policy making and assessment under all programmes in the following format. Has provision been earmarked for holding consultations in 2010-11? If so, please provide the following details.

Name/Subject of consultation	Expenditure (\$)	Progress of consultation (under planning/ in progress/ completed)	Mode of consultation (e.g. by means of written submissions, consultation sessions, focus groups), number of consultation exercises, name of organizations and number of people consulted/to be consulted	For consultations scheduled for completion in the financial year 2010-11, will the results be publicised? If not, what are the reasons?

Asked by : Hon. EU Yuet-mee, Audrey

Reply :

No funds have been earmarked for overseas Economic and Trade Offices to conduct consultation on policy making and assessment in 2010-11.

Signature \_\_\_\_\_

Name in block letters MISS YVONNE CHOI

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

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)149**

Question Serial No.

0543

Head : 96 - Government Secretariat:  
Overseas Economic and Trade Offices

Subhead (No. & title) : 661

Programme : -

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

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Under Subhead 661 Minor plant, vehicles and equipment (block vote), the provision is increased by \$355,000 for the replacement of an office car for Singapore ETO. Will the Administration specify that only environment-friendly vehicles such as electric vehicle or electric-petroleum hybrid vehicle should be purchased? If not, what are the reasons?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

Provision of \$800,000 under Subhead 661 Minor plant, vehicles and equipment (block vote) in 2010-11 represents an increase of \$355,000 over the revised estimate for 2009-10. This is due to the replacement of an office car for Singapore ETO. Subject to the availability of suitable models on the market as well as operational and resource considerations, the purchase of environment-friendly vehicles will be considered.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)150**

Question Serial No.

0544

Head : 96 Government Secretariat : Subhead (No. & title) : -  
Overseas Economic and Trade offices

Programme : (2) Public Relations and (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 estimated provisions of \$109.5 million under Programme (2) Public Relations and \$50.8 million under Programme (3) Investment Promotion, how will the overseas offices use the funds for overseas promotion of the financial, business and trade opportunities in Hong Kong generated by the launch of the China-ASEAN Free Trade Area on 1 January 2010 and attract foreign investment to Hong Kong?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

We conduct trade and investment promotion among the target ASEAN countries through the Hong Kong Economic and Trade Office in Singapore (Singapore ETO) and Invest Hong Kong. In 2010-11, the Singapore ETO will step up publicity and public relations efforts in ASEAN countries. These activities include meetings with relevant government officials, leaders of chambers of commerce and industry organisations and individual entrepreneurs, business events such as seminars and luncheons, cultural events such as film festivals, concerts and exhibitions as well as sports and other public relations activities.

Investment promotion in target ASEAN countries are mainly conducted through the Head Office of Invest Hong Kong and the part-time consultant in Singapore. Promotion activities include on-going investment promotion visits and meetings to reach out to individual companies, facilitation services to companies in setting up or expanding their business in Hong Kong, as well as networking and promotional events to generate project leads and reach out to potential investors.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)151**

Question Serial No.

2982

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 :

Provision for 2010-11 for the programme is \$9.2 million (6.9%) higher than the revised estimate for 2009-10. Please provide the breakdown of the provision for 2010-11 in comparison with the provision for 2009-10 in terms of indicators of each of overseas Economic and Trade Offices, namely Brussels, Geneva, Berlin, London, New York, San Francisco, Washington, Singapore, Sydney, Tokyo and Toronto respectively.

Asked by : Hon. SHEK Lai-him, Abraham

Reply :

Under programme (1) Commercial Relations, the provision for 2010-11 is \$9.2 million (6.9%) higher than the 2009-10 revised estimate. This is mainly due to the setting up cost and operating expenses for the newly established ETO in Berlin and increased salary for locally engaged staff and salary and allowance provisions for filling of vacancies and staff changes. The 2009-10 revised estimate, 2010-11 original estimate, 2009 actual indicators and 2010 estimated indicators of the ETOs are tabulated below:

	Overseas Economic and Trade Offices											
	Brussels	Geneva <sup>(1)</sup>	Berlin	London	New York	San Francisco	Washington	Singapore	Sydney	Tokyo	Toronto	Total
<b><u>Financial Provisions:</u></b>												
Revised Estimate for 2009-10 (\$million)	14.4	32.5	9.6	12.4	7.5	7.8	20.7	6.9	5.1	11.1	6.2	134.2
Original Estimate for 2010-11 (\$million)	14.2	32.9	13.6	11.3	9.1	6.8	21.6	7.6	5.6	14.3	6.4	143.4

	Overseas Economic and Trade Offices											
	Brussels	Geneva <sup>(1)</sup>	Berlin	London	New York	San Francisco	Washington	Singapore	Sydney	Tokyo	Toronto	Total
<b>Indicators:</b>												
<b>Meetings on trade-related matters attended</b>												
2009 Actual	324	1 476	238	280	138	115	479	134	52	181	166	3 583
(2010 Estimate)	(320)	(1 500)	(280)	(250)	(132)	(115)	(480)	(134)	(52)	(175)	(162)	(3 600)
<b>Visits to host governments and trade organizations</b>												
2009 Actual	88	0	124	194	49	55	256	104	117	108	112	1 207
(2010 Estimate)	(85)	(0)	(140)	(200)	(47)	(56)	(210)	(103)	(113)	(105)	(109)	(1 168) <sup>(2)</sup>
<b>Seminars, exhibitions and workshops organised</b>												
2009 Actual	25	0	22	16	19	15	12	5	18	15	34	181
(2010 Estimate)	(22)	(0)	(30)	(16)	(17)	(16)	(10)	(5)	(18)	(15)	(35)	(184)
<b>participated</b>												
2009 Actual	42	23	43	44	115	58	185	54	47	46	37	694
(2010 Estimate)	(42)	(20)	(50)	(45)	(111)	(60)	(180)	(54)	(46)	(45)	(36)	(689) <sup>(2)</sup>
<b>Public speeches given</b>												
2009 Actual	24	0	39	70	32	30	39	23	39	15	75	386
(2010 Estimate)	(24)	(0)	(45)	(60)	(31)	(30)	(39)	(23)	(40)	(15)	(72)	(379) <sup>(3)</sup>
<b>Media interviews/briefings given</b>												
2009 Actual	79	1	78	58	57	24	90	48	25	72	152	684
(2010 Estimate)	(78)	(0)	(90)	(56)	(57)	(24)	(90)	(48)	(25)	(75)	(152)	(695)
<b>Circulars/newsletters/press releases issued</b>												
2009 Actual	33	0	185	151	22	36	62	104	30	27	112	762
(2010 Estimate)	(34)	(0)	(220)	(145)	(22)	(36)	(62)	(104)	(30)	(27)	(107)	(787)

Notes:

- (1) As the role of the Geneva ETO is to represent Hong Kong as a member of the World Trade Organization, its main relevant indicator is relating to meetings on trade-related matters attended.
- (2) The 2010 lower estimates for the (i) visits to host governments and trade organisations and (ii) seminars, exhibitions and workshops participated are mainly because Washington ETO recorded higher numbers in 2009 for additional meetings with host governments and congressional members and events organised in Washington to introduce the new Commissioner, USA.
- (3) The 2010 lower estimate for public speeches given is mainly because there were higher-than-expected number of senior official visits requiring public speeches for London ETO in 2009. The London ETO expects that the level of activity should return to normal in 2010.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)152**

Question Serial No.

2188

Head : 96 Government Secretariat: Overseas Economic and Trade Offices      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 provide the following information on the procurement of services of employment agencies (EAs):

- (a) the number of contracts signed with EAs;
- (b) the contract sum and term of service for each EA;
- (c) the number of workers supplied by each EA and their duties;
- (d) details of the pay of workers supplied by each EA, including the range of monthly salaries and that of daily or hourly wages?
- (e) with regard to the above items, please provide the respective numbers and percentage changes for each of the following years:

	2010-11	2009-10	2008-09	2007-08
Number of EAs	( )	( )	( )	( )
Total contract sum of each EA	( )	( )	( )	( )
Average term of service for EAs	( )	( )	( )	( )
Total number of workers supplied by each EA	( )	( )	( )	( )
Pay of workers (highest, median and lowest) supplied by EAs	Highest ( )	Highest ( )	Highest ( )	Highest ( )
	Median ( )	Median ( )	Median ( )	Median ( )
	Lowest ( )	Lowest ( )	Lowest ( )	Lowest ( )

*Figures in ( ) denote percentage changes*

- (f) the proportion of workers supplied by EAs in the existing staff in the department; and
- (g) the proportion of expenditure on procuring the services of EAs in departmental expenditure.

Asked by : Hon. WONG Kwok-hing



Reply :

(a) the number of contracts signed with EAs

2009-10 (Note 1)	2008-09 (Note 2)	2007-08 (Note 3)
13	10	13

(b) the contract sum and term of service for each EA

2009-10 (Note 1)		2008-09 (Note 2)		2007-08 (Note 3)	
Contract Sum (\$)	Term of Service	Contract Sum (\$)	Term of Service	Contract Sum (\$)	Term of Service
10,469-169,032	0.1 – 12 mths	2,533-236,815	0.1 – 12 mths	1,590-623,352	0.1 -12 mths

(c) the number of workers supplied by each EA and their duties

	2009-10 (Note 1)	2008-09 (Note 2)	2007-08 (Note 3)
No. of workers	1 – 4	1 – 7	1 – 8
Duties	General office support, organising events, etc.	General office support, organising events, etc.	General office support, organising events, etc.

(d) The contracts that the overseas Economic and Trade Offices (ETOs) enter into with employment agencies only specify the overall service fees charged by the latter in providing agency workers. We normally do not specify the wages of agency workers. Hence, we are unable to provide the information requested.

(e) with regard to the above items, the respective numbers and percentage changes for each of the following years

	2010-11	2009-10 (Note 1)	2008-09 (Note 2)	2007-08 (Note 3)
Number of EAs	Overseas ETOs have no further plan to procure services of EAs at this point in time.	9 (-10%)	10 (+100%)	5 (-28.6%)
Total contract sum of each EA		\$750,901 (-18.8%)	\$924,549 (-12.4%)	\$1,055,077 (+87.4%)
Average term of service for EAs		3 mths (-25%)	4 mths (+33.3%)	3 mths (+50%)
Total number of workers supplied by each EA		15 (-11.8%)	17 (-10.5%)	19 (+58.3%)
Pay of workers (highest, median and lowest) supplied by EAs		Please see the reply at item (d) above.		

(f) In 2009-10, the proportion of workers supplied by EAs in the existing staff in the department is 7.9%. (Note 1)

(g) In 2009-10, the proportion of expenditure on procuring the services of EAs in departmental expenditure is 0.3%. (Note 1)

- Note:
1. Position as at 28.2.2010
  4. Position as at 31.3.2009
  5. Position as at 31.3.2008

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

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

Reply Serial No.

**CEDB(CIT)153**

Question Serial No.

2189

Head : 96 Government Secretariat: Overseas Economic and Trade Offices      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 list in the table below information on the employment of temporary staff to provide services:

	2010-11	2009-10	2008-09	2007-08
Total number of temporary staff	( )	( )	( )	( )
Total expenditure on salaries of temporary staff employed	( )	( )	( )	( )
Percentage of temporary staff employed in the total number of staff in the department	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by : Hon. WONG Kwok-hing

Reply :

The overseas Economic and Trade Offices have not employed any temporary staff during the periods from 2007-08 to 2009-10, and do not have any plan to employ temporary staff in 2010-11.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

Examination of Estimates of Expenditure 2010-11

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

Reply Serial No.

**CEDB(CIT)154**

Question Serial No.

2190

Head : 96 Government Secretariat: Overseas Economic and Trade Offices      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 provide the following information on the employment of non-civil service contract (NCSC) staff to provide services:

	2010-11	2009-10	2008-09	2007-08
Number of NCSC staff	( )	( )	( )	( )
Total expenditure on the salaries of NCSC staff	( )	( )	( )	( )
Average length of employment of NCSC staff	( )	( )	( )	( )
Number of NCSC staff converted to civil servants on permanent terms	( )	( )	( )	( )
Number of NCSC staff who had chances for conversion but failed to do so	( )	( )	( )	( )
Percentage of NCSC staff in the total number of staff in the department	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by : Hon. WONG Kwok-hing

Reply :

The overseas Economic and Trade Offices (ETOs) employ NCSC staff to provide services:

	2010-11	2009-10 (Note 1)	2008-09 (Note 2)	2007-08 (Note 3)
Number of NCSC staff	To be confirmed	34	25	23
Total expenditure on the salaries of NCSC staff	To be confirmed	\$15,571,000	\$13,377,000	\$13,005,000
Average length of employment of NCSC staff	To be confirmed	3.1 years	3.5 years	3.2 years
Number of NCSC staff converted to civil servants on permanent terms (Note 4)	N/A	N/A	N/A	N/A

Number of NCSC staff who had chances for conversion but failed to do so (Note 4)	N/A	N/A	N/A	N/A
Percentage of NCSC staff in the total number of staff in the department	N/A	17.8%	13.6%	12.7%

Note:

1. Position as at 28.2.2010.
2. Position as at 31.3.2009.
3. Position as at 31.3.2008.
4. The NCSC staff employed by overseas ETOs cannot be converted to civil servants or employed on a permanent basis.

Signature	_____
Name in block letters	MISS YVONNE CHOI
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	18.3.2010

Examination of Estimates of Expenditure 2010-11

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

Reply Serial No.

**CEDB(CIT)155**

Question Serial No.

2939

Head : 96 Government Secretariat: Overseas Economic and Trade Offices      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 provide information on outsourced services (including property management, security, cleansing, telecommunications and information technology, statistics, etc., but excluding construction works) in the format set out below:

	2010-11	2009-10	2008-09	2007-08
Contents of outsourced service contracts				
Number of outsourced service contracts	( )	( )	( )	( )
Value of outsourced service contracts	( )	( )	( )	( )
Number of workers employed under outsourced service contracts	( )	( )	( )	( )
Number of outsourced service contracts that can be replaced by employment of permanent staff by the Government				

*Figures in ( ) denote year-on-year changes*

Asked by : Hon. WONG Kwok-hing

Reply :

The overseas Economic and Trade Offices (ETOs) procure outsourced services:

	2010-11	2009-10 (Note 1)	2008-09 (Note 2)	2007-08 (Note 3)
Contents of outsourced service contracts	To be confirmed	- office security - office cleaning - office maintenance - PR services - information technology - artwork and design - taxation and accounting - legal advice	- office security - office cleaning - office maintenance - PR services - information technology - artwork and design - taxation and accounting - legal advice	- office security - office cleaning - office maintenance - PR services - information technology - artwork and design - taxation and accounting - legal advice
Number of outsourced service contracts	To be confirmed	159	161	163
Value of outsourced service contracts	To be confirmed	\$17,398,000	\$16,568,000	\$14,371,000
Number of workers employed under outsourced service contracts (Note 4)	N/A	Not available	Not available	Not available
Number of outsourced service contracts that can be replaced by employment of permanent staff by the Government	N/A	No	No	No

Note:

1. Position as at 28.2.2010.
2. Position as at 31.3.2009.
3. Position as at 31.3.2008.
4. The overseas ETOs do not specify in the contracts of outsourced services the number of workers to be employed under the contracts. We are therefore unable to provide the information requested.

Signature \_\_\_\_\_

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

MISS YVONNE CHOI

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

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

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)156**

Question Serial No.

1146

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 :

As compared to the 2009-10 revised estimate, the expenditure on Trade Statistics programme in 2010-11 under the Census and Statistics Department increases by \$17.5 million (13.2%). One of the reasons for the increase is for conducting supplementary surveys to track the latest developments in the trade structure of Hong Kong. Please advise on the specific operations of these surveys and their expenditure with breakdown in items. Why is there an increase in expenditure as compared with that in the previous year (i.e. 2009-10)?

Asked by : Hon. LAM Tai-fai

Reply :

The Census and Statistics Department will conduct a supplementary survey to compile quarterly offshore trade statistics for 2010-11, with a view to tracking the latest developments in the trade structure of Hong Kong. A total of \$8.6 million of additional expenses will be involved. Around 70% of them will be incurred for data collection, with the remaining 30% for data editing, processing and analysis.

As regards the increased provision of \$17.5 million for 2010-11 over 2009-10, apart from the aforementioned supplementary survey, the increase is mainly due to an increased salary provision in respect of filling of vacancies and staff changes, as well as a full-year provision for 2010-11 for the vacancies filled in 2009-10.

Signature \_\_\_\_\_

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

FUNG Hing-wang

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

Commissioner for Census and Statistics

Date \_\_\_\_\_

17.3.2010



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

Reply Serial No.

**CEDB(CIT)157**

Question Serial No.

1458

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 :

What are the specific measures and staffing provision required to guard against the entry of counterfeit wine into Hong Kong's market for 2009-10 and those estimated for 2010-11? What were the figures and effectiveness relating to such activities for 2009-10?

Asked by : Hon. CHEUNG Yu-yan, Tommy

Reply :

To prevent and combat illegal activities related to counterfeit wine, the Customs and Excise Department formed a 7-member dedicated investigation team (including 1 Senior Inspector, 1 Chief Customs Officer and 5 Customs Officers) under its Intellectual Property Investigation Bureau in August 2008 to carry out targeted investigations and enforcement actions. Apart from investigating into activities related to counterfeit wine, this team also helps deal with other activities involving trade mark infringement. The Department provides training for members of the team to equip them with the necessary enforcement capacity to tackle counterfeit wine.

To prevent the inflow of counterfeit wine, Customs officers at control points will use intelligence-led and risk-management strategies to select imported wine for inspection. Suspected counterfeit wine will be referred to the dedicated investigation team for follow-up action.

In addition, the Department will maintain close liaison with the wine industry, expand its intelligence network with overseas law enforcement agencies, and make reference to the control measures adopted overseas so as to enhance its enforcement capability against counterfeit wine in Hong Kong.

Although no counterfeit wine case was detected in recent years, the Department will remain vigilant, and will continue to monitor closely the wine market and take enforcement actions where necessary.

Signature \_\_\_\_\_

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

**RICHARD M F YUEN**

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

Commissioner of Customs and Excise

Date \_\_\_\_\_

17.3.2010

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

Reply Serial No.

**CEDB(CIT)158**

Question Serial No.

1593

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 :

Among the 9 533 intellectual property rights investigations conducted in 2009, what are the numbers of cases related to internet piracy and other computer crime problems?

Asked by : Hon. EU Yuet-mee, Audrey

Reply :

Of the intellectual property rights investigations conducted in 2009, 666 cases were related to infringement of intellectual property rights on the Internet and the figure for other computer crimes (including using pirated software in business corporations or using computer equipment to play pirated music, etc.) stood at 39.

Signature \_\_\_\_\_

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

**RICHARD M F YUEN**

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

**Commissioner of Customs and Excise**

Date \_\_\_\_\_

**17.3.2010**

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

Reply Serial No.

**CEDB(CIT)159**

Question Serial No.

0121

Head : 31 Customs and Excise Department      Subhead (No. & title) :

Programme : (5) Trade Controls

Controlling Officer : Commissioner of Customs and Excise

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the number of factory and consignment inspections, the actual number in 2009 was 35 822 while the estimated number in 2010 is 29 750, representing a decrease of 17%. As for the number of blitz checks on consignments at entry and exit points as well as public cargo working areas, the estimated number in 2010 is 14 300, representing a decrease of 12.6% when compared with the actual number of 16 361 in 2009. Regarding this, will the authorities provide the following information:

- (a) Reasons for the decrease; and
- (b) Provision for 2010-11 is \$2 million (1.1%) higher than the estimate for 2009-10 due to the increased operating expenses. As far as this is concerned, what are the reasons for the sharp decrease in the estimated number of checks on consignments in 2010 when compared with the actual number in 2009?

Asked by : Hon. IP LAU Suk-ye, Regina

Reply :

Following the respective removal of the joint import surveillance system and restrictive measures for textiles and clothing products originating from the Mainland by the European Union and the United States on 1 January 2009, the incentives and risks of illegal transshipment of textiles and clothing products from the Mainland through Hong Kong have decreased correspondingly. After taking into account the situation, the Customs and Excise Department made appropriate adjustments to the enforcement strategies and efforts in textiles and clothing controls and suitably reduced the estimated number of factory and consignment inspections as well as that of blitz checks at entry and exit points in 2010. The resources saved will be temporarily redeployed to other trade controls duties where necessary, such as handling late submissions of trade declarations, etc., in order to enhance the effectiveness of such duties.

The Government will continue to monitor the development of the international textiles trading environment as well as the local textile industry, and make adjustments to the Textiles Control System as appropriate. The Department will also redeploy resources as and when necessary to cope with the development and manpower requirements of trade controls duties.

The estimated provision under Programme (5) for 2010-11 is \$2 million higher than the revised estimate for 2009-10, representing only 1.1% of the total expenditure. This is mainly due to the additional operating expenses incurred in purchasing computer systems and equipment, as well as relocation to the new Customs Headquarters Building.

Signature	_____
Name in block letters	<u>RICHARD M F YUEN</u>
Post Title	<u>Commissioner of Customs and Excise</u>
Date	<u>17.3.2010</u>

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

Reply Serial No.

**CEDB(CIT)160**

Question Serial No.

0122

Head : 31 Customs and Excise Department      Subhead (No. & title) :

Programme : (5) Trade Controls

Controlling Officer : Commissioner of Customs and Excise

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the financial provision for trade controls for 2009-10, the original estimated amount is \$224.6 million whereas the revised amount is \$179.1 million. As far as this is concerned, will the authorities provide the following information:

- (a) Does the revised amount represent the actual expenditure on trade controls for 2009-10?
- (b) Why is there a significant decrease of 20.3% in the revised amount compared with the original estimated amount? Is it due to the reason that the expected targets could not be fulfilled, thereby resulting in such a serious miscalculation?

Asked by : Hon. IP LAU Suk-ye, Regina

Reply :

The revised estimate of \$179.1 million for trade controls under Programme (5) for 2009-10 is projected on the basis of the current situation. The actual expenditure on the Programme can only be ascertained upon the expiry of the financial year.

As compared with the original estimate, the revised estimate for the Programme for 2009-10 represents a decrease of 20.3%. The main reason is that, after taking into account the development of the international textiles trading environment and the local textiles industry, the Customs and Excise Department has made appropriate adjustments to the enforcement actions in respect of textiles controls, and has effectively redeployed the savings in resources for carrying out duties in respect of consumer protection under Programme (3). For the purpose of enforcing the newly enacted subsidiary legislation of the Trade Descriptions Ordinance which came into effect in 2009, the Department has redeployed 48 posts from Programme (5) to conduct spot checks on more goods in the relevant categories, such as diamond, Fei Cui and certain electronic products etc. In addition, the Department has further redeployed 35 posts, with a view to stepping up enforcement actions in other aspects for safeguarding the interests of consumers (including weights and measures as well as consumer goods safety).

Signature \_\_\_\_\_

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

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

Date \_\_\_\_\_

**RICHARD M F YUEN**

Commissioner of Customs and Excise

17.3.2010

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

Reply Serial No.

**CEDB(CIT)161**

Question Serial No.

0139

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 :

It is stated under Programme (3) that during 2010-11, the Customs and Excise Department will continue to develop more vigorous enforcement strategies against piracy and counterfeiting activities. Will the authorities provide the following information:

- (a) the specific details of the concerned enforcement strategies for 2010-11; and
- (b) any improvements in the strategies for 2010-11 when compared with those of the previous years?

Asked by : Hon. IP LAU Suk-ye, Regina

Reply :

(a) During 2010-11, the Customs and Excise Department will continue to mount intelligence-based operations and maintain close cooperation with the industries and the law enforcement agencies of other jurisdictions in combating piracy and counterfeiting activities at all levels. The major enforcement strategies include enhancement of enforcement capability against infringing activities on the Internet, stepping up efforts to stop the inflow of pirated and counterfeit goods, and taking targeted action against organized crimes involving piracy and counterfeiting.

(b) To enhance enforcement efficiency, the Department will :

- (i) seek to utilize advanced computer technology and train up Internet investigation officers to better equip them with the knowledge needed to tackle the ever-changing mode of infringing activities on the Internet;
- (ii) strengthen the exchange and analysis of intelligence with overseas law enforcement agencies and maintain close liaison with the industries to enable prompt and targeted action to stop the inflow of pirated and counterfeit goods at source; and
- (iii) in respect of serious piracy and counterfeiting cases and where appropriate, apply to the court under the Organized and Serious Crimes Ordinance (Cap. 455) for orders to freeze and confiscate crime proceeds and stiffer sentences/penalties to provide a greater deterrence to organized syndicates.

Signature \_\_\_\_\_

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

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

Date \_\_\_\_\_

**RICHARD M F YUEN**

Commissioner of Customs and Excise

17.3.2010

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

Reply Serial No.

**CEDB(CIT)162**

Question Serial No.

0234

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 :

Regarding the protection of intellectual property rights, please provide the following information:

- (a) Comparison of crime statistics relating to infringement of intellectual property rights for the past three years (i.e. 2007-08 to 2009-10).
- (b) Details, estimated expenditure and outcome indicators of the publicity programmes which aim at promoting public/traders' awareness of intellectual property rights.

Asked by : Hon. IP Wai-ming

Reply :

- (a) For cases detected by the Customs and Excise Department in the past three years (2007 to 2009) in relation to infringement of intellectual property rights (IPR), the relevant statistics are given below :

	2007	2008	2009
Number of cases	9 834	9 301	7 818
Number of persons arrested	1 827	1 725	1 974
Total value of seizures (HK\$)	\$185 million	\$197 million	\$114 million

The crime trends related to IPR infringement are affected by many factors. They may include changes to the relevant legislation, public awareness of IPR, and advances in technology, etc. Regardless, the Department will continue to take rigorous actions against piracy and counterfeiting activities at all levels to reduce the scale of such activities.

- (b) The Intellectual Property Department has been promoting awareness of and respect for intellectual property rights among the public and the industries through various publicity and educational activities. In support, Customs will continue to implement the following major programmes in 2010-11:

- (i) the “IPR Protection Alliance”: riding on the participation of IPR-related stakeholders, the initiative aims at enhancing awareness of IPR among the industrial and commercial sectors as well as the public, and facilitating cooperation among various sectors in combating infringement and piracy offences; and
  
- (ii) the “Youth Ambassador Against Internet Piracy” scheme: through the scheme, we enlist support from the members of 11 uniformed groups in combating online infringing activities, thus helping to uphold a positive attitude towards the protection of IPR.

The above programmes not only help strengthen collaboration between the Department and the industries, they also serve to promote respect for IPR in the community. In 2010-11, the estimated expenditure for implementing the above programmes is about \$400,000.

Signature	_____
Name in block letters	_____ RICHARD M F YUEN _____
Post Title	_____ Commissioner of Customs and Excise _____
Date	_____ 17.3.2010 _____



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

Reply Serial No.

**CEDB(CIT)163**

Question Serial No.

0235

Head : 31 Customs and Excise Department      Subhead (No. & title) :

Programme : (5) Trade Controls

Controlling Officer : Commissioner of Customs and Excise

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the expenditure on trade controls, the estimate for 2010-11 represents a decrease of 19.4% as compared with the original estimate for 2009-10. What is the reason?

Asked by : Hon. IP Wai-ming

Reply :

The estimate for trade controls under Programme (5) for 2010-11 represents a decrease as compared with the original estimate for 2009-10. The main reason is that, after taking into account the development of the international textiles trading environment and the local textiles industry, the Customs and Excise Department has made appropriate adjustments to the enforcement actions in respect of textiles controls, and has effectively redeployed the savings in resources for carrying out duties in respect of consumer protection under Programme (3). For the purpose of enforcing the newly enacted subsidiary legislation of the Trade Descriptions Ordinance which came into effect in 2009, the Department has redeployed 48 posts to conduct spot checks on more goods in the relevant categories, such as diamond, Fei Cui and certain electronic products etc. In addition, the Department has further redeployed 35 posts, with a view to stepping up enforcement actions in other aspects for safeguarding the interests of consumers (including weights and measures as well as consumer goods safety).

Signature \_\_\_\_\_

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

**RICHARD M F YUEN**

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

**Commissioner of Customs and Excise**

Date \_\_\_\_\_

17.3.2010

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

Reply Serial No.

**CEDB(CIT)164**

Question Serial No.

2811

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:

Regarding false trade descriptions and mis-statements in respect of goods,

- a how many enforcement actions were carried out by the authorities in 2009-10? What were the main target trades or shops? What is the number of cases in which charges were made during the operations?
- b what will be the authorities' measures and estimate of expenditure on this matter in 2010-11?
- c due to the widespread practice of online trading in recent years, false trade descriptions and mis-statements are often found on online trading platforms. Will the authorities expand investigations and enforcement actions to the Internet?

Asked by: Hon. IP Wai-ming

Reply:

- a In 2009-10, the Customs and Excise Department (C&ED) conducted a total of 3 301 inspections of retail shops under the Trade Descriptions Ordinance, including shops selling jewels, gold ornaments, dried seafood and Chinese herbal medicines as well as retail shops selling electronic goods, to ensure that the industry complied with legal requirements. In the same year, the C&ED investigated 603 cases involving suspected false trade descriptions. Of the 365 investigations completed, 7 resulted in prosecutions, with fines imposed ranging from \$2,500 to \$35,000.
- b In 2010-11, the C&ED will step up inspections of retail shops, pay the special attention to combating unscrupulous shops and follow up reports and complaints proactively. Main emphasis will be placed on inspections of shops in tourist areas and more spot checks will be conducted during long holidays to protect consumer rights of tourists. In addition, more training will be provided to front-line enforcement officers so as to enhance their competence and skills in enforcement. In order to crack down on dishonest sales practices, the C&ED will continue co-operating with the police, the Consumer Council, the Travel Industry Council, the Hong Kong Tourism Board and associations of retail industry, step up publicity for and education about consumer rights and encourage the public and visitors to co-operate with the authorities. The estimate of expenditure on manpower is around \$20 million.

- c Unlawful acts of false trade descriptions and mis-statements are often found on various sales channels, including online trading platforms which become widely used. Always concerned about the situation, the C&ED has been combating these illegal sales practices through various channels with utmost effort. A total of 8 complaints about online trading which involved suspected false trade descriptions were received in 2009 and investigations are now in progress.

Signature \_\_\_\_\_

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

RICHARD M F YUEN

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

Commissioner of Customs and Excise

Date \_\_\_\_\_

17.3.2010

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

Reply Serial No.

**CEDB(CIT)165**

Question Serial No.

1953

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 :

Regarding the progress of the replacement electronic Air Cargo Clearance System, please advise this Committee on any measures for the authorities to enhance speedy and reliable clearance service for air cargoes apart from the replacement of the electronic Air Cargo Clearance System. If there are any, what are the details of and the budget for the measures? If there are not, what are the reasons?

Asked by : Hon. LAU Kin-ye, Miriam

Reply :

The replacement of the electronic Air Cargo Clearance System is progressing smoothly according to schedule, with the expenses being kept within the estimated amount. The new system is expected to be implemented in December 2010 as planned.

To facilitate trade, the Customs and Excise Department (C&ED) will soon roll out an electronic customs clearance platform, the Road Cargo System (ROCARS). The system will provide additional capacity room for C&ED to consider measures to further facilitate the clearance of transshipment cargoes involving inter-modal transfer (e.g. from land to air). At present, land-air transshipment cargoes may be subject to customs inspection at the land boundary control point and the airport. With the rolling out of ROCARS and the wider use of e-seals and Global Positioning System technologies, we are considering the introduction of further facilitation measures to enable inter-modal cargoes to be subject to inspection at one control point only.

Signature \_\_\_\_\_

Name in block letters RICHARD M F YUEN

Post Title Commissioner of Customs and Excise

Date 17.3.2010

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

Reply Serial No.

**CEDB(CIT)166**

Question Serial No.

1874

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 :

What are the expenditure and manpower provision involved in preventing and detecting online infringing articles for 2010-11? What are the percentages increased/decreased when compared with the figures for 2009-10 and 2008-09? During the same period, what are the values of infringing articles for online auctions seized by the authorities? How many cases were successfully prosecuted and what were the penalties?

Asked by : Hon. LEE Wai-king, Starry

Reply :

The Customs and Excise Department has established two Anti-Internet Piracy Teams, each comprising 7 Customs officers, to combat piracy and counterfeiting activities on the Internet. The estimated expenditure on salary provision for the two teams in 2010-11 is about \$4.036 m. Due to salary adjustments, the expenditure represents a 6.0% and 0.4% increase respectively when compared with the figures for 2008-09 and 2009-10. The Department will continue to flexibly deploy its resources in taking rigorous actions against online infringement offences.

Figures for 2008 and 2009 regarding the value of infringing articles that were put up for sale on Internet auction sites and seized by the Department, the number of successful prosecutions and the penalties imposed are as follows:

Year	2008	2009
Value of seizures involving infringing articles put up for sale on Internet auction sites	\$790,490	\$866,784
Number of successful prosecutions	24 cases	23 cases
Penalties imposed	Fine : \$600-\$9,000 Community service order : 80-200 hours Imprisonment : 2-6 months (suspended for 2 years)	Fine : \$3,000-\$30,000 Community service order : 60-200 hours Imprisonment : 4-6 months

Signature \_\_\_\_\_

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

RICHARD M F YUEN

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

Commissioner of Customs and Excise

Date \_\_\_\_\_

17.3.2010

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

Reply Serial No.

**CEDB(CIT)167**

Question Serial No.

0479

Head : 31 Customs and Excise Department      Subhead (No. & title) :

Programme : (5) Trade Controls

Controlling Officer : Commissioner of Customs and Excise

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The estimated numbers of “factory and consignment inspections”, “factory audit checks” and “blitz checks at entry and exit points” in 2010 all represent significant decreases when compared with the actual numbers in 2008. What are the reasons?

Asked by : Hon. LI Fung-ying

Reply :

Following the respective removal of the joint import surveillance system and restrictive measures for textiles and clothing products originating from the Mainland by the European Union and the United States on 1 January 2009, the incentives and risks of illegal transshipment of textiles and clothing products from the Mainland through Hong Kong have decreased correspondingly. After taking into account the situation, the Customs and Excise Department adjusted the enforcement strategies on control of textiles and clothing products and redeployed part of the resources from Programme (5) to Programme (3) in 2009 to step up enforcement actions in respect of consumer protection. Taking into account the allocation of resources as well as the needs of enforcement actions, the Department made suitable adjustments to the estimated numbers of “factory and consignment inspections”, “factory audit checks” and “blitz checks at entry and exit points” in 2010. The resources saved will be temporarily redeployed to other trade controls duties where necessary, such as speeding up the processing of trade declarations etc.

The Government will continue to monitor the development of the international textiles trading environment as well as the local textile industry, and make adjustments to the Textiles Control System as appropriate. The Department will also redeploy resources as and when necessary to cope with the development and manpower requirements of trade controls duties.

Signature \_\_\_\_\_

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

**RICHARD M F YUEN**

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

**Commissioner of Customs and Excise**

Date \_\_\_\_\_

**17.3.2010**

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

Reply Serial No.

**CEDB(CIT)168**

Question Serial No.

1664

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 Customs and Excise Department indicated that it would continue to strengthen action by developing more vigorous enforcement strategies and launching more intelligence-based operations. What are the details included regarding the development of more vigorous enforcement strategies?

Asked by : Hon. WONG Ting-kwong

Reply :

This year, the Customs and Excise Department will continue to mount intelligence-based operations and maintain close cooperation with the industries and the law enforcement agencies of other jurisdictions in combating piracy and counterfeiting activities at all levels. The major enforcement strategies include enhancement of enforcement capability against infringing activities on the Internet, stepping up efforts to stop the inflow of pirated and counterfeit goods, and taking targeted action against organized crimes involving piracy and counterfeiting. To enhance enforcement efficiency, the Department will :

- (i) seek to utilize advanced computer technology and train up Internet investigation officers to better equip them with the knowledge needed to tackle the ever-changing mode of infringing activities on the Internet;
- (ii) strengthen the exchange and analysis of intelligence with overseas law enforcement agencies and maintain close liaison with the industries to enable prompt and targeted action to stop the inflow of pirated and counterfeit goods at source; and
- (iii) in respect of serious piracy and counterfeiting cases and where appropriate, apply to the court under the Organized and Serious Crimes Ordinance (Cap. 455) for orders to freeze and confiscate crime proceeds and stiffer sentences/penalties to provide a greater deterrence to organized syndicates.

Signature \_\_\_\_\_

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

**RICHARD M F YUEN**

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

**Commissioner of Customs and Excise**

Date \_\_\_\_\_

**17.3.2010**





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

Reply Serial No.

**CEDB(CIT)170**

Question Serial No.

0236

Head : 33 Civil Engineering and Subhead  
Development Department (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 :

Regarding the construction works for the enhancement of public facilities at Ngong Ping, please provide the following information:

- (a) public facilities to be included in the construction works.
- (b) expenditures involved in relevant works.
- (c) anticipated time for carrying out the works.
- (d) the manpower to be employed.
- (e) upon the completion of works, the anticipated increase in the number of visitors.

Asked by : Hon. IP Wai-ming

Reply :

- (a) Enhancement of public facilities at Ngong Ping includes a landscaped piazza with a central pedestrian Bodhi Path, a new Pai Lau and a Chinese-style garden with a pavilion and four lotus ponds around the existing Di Tan, a public toilet at the Ngong Ping public transport interchange, a roundabout and associated storm water drainage works.
- (b) The estimated total expenditure of the works is \$77.5 million.
- (c) The construction of the works commenced in April 2008 and will be completed in mid 2010.
- (d) The project will create a total of 116 jobs (100 labourers and 16 professional/technical staff), providing a total employment of about 1 700 man-months.

- (e) The project will improve pedestrian flow from Ngong Ping 360 and the public transport interchange to other attractions in the vicinity including Po Lin Monastery and the Giant Buddha. It will also provide better landscaping for the Di Tan area and the nearby footpaths. It will make it more convenient to visit the cluster of tourist attractions in Ngong Ping and add to the appeal of these attractions.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ JOHN S V CHAI \_\_\_\_\_

Post Title \_\_\_\_\_ Director of Civil Engineering and  
Development \_\_\_\_\_

Date \_\_\_\_\_ 15.3.2010 \_\_\_\_\_



Signature

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Name in block letters

JOHN S V CHAI

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Post Title

Director of Civil Engineering and  
Development

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Date

15.3.2010

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

Reply Serial No.

**CEDB(CIT)172**

Question Serial No.

0933

Head : 707 - New Towns and Urban Area Development      Subhead : 7736CL Site formation for Kai Tak cruise terminal development

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 Administration stated that the approved project estimate for “the site formation for Kai Tak cruise terminal development” is \$2,303.9 million. After deducting the revised estimate for 2009-10, the remaining reserve should be \$2,266.9 million. However, the estimated expenditure for 2010-11 is only \$259.1 million. What are the reasons? What is the programme of the expenditure for the remaining provision? How to expedite the progress of the works for the completion of Kai Tak cruise terminal?

Asked by : Hon. LAU Sau-shing, Patrick

Reply :

The anticipated expenditure in 2010-11, i.e. \$259.1 million, was determined based on the current works programme of the main site formation contract of the Kai Tak Cruise Terminal Development awarded in November 2009. The remaining expenditure will be incurred between the years 2011-12 to 2016-17 to tie in with the progress of the construction works which are scheduled for completion in phases by 2015 with the first cruise berth targeted for commissioning in mid 2013.

Signature \_\_\_\_\_

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

JOHN S V CHAI

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

Director of Civil Engineering and  
Development

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)173**

Question Serial No.

2417

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:

Please provide details of the consultations on policy making and assessment under all programmes in the following format. Using the table below, please provide information on the consultations for which funds had been allocated in 2009-10:

Name/subject of consultation	Revised estimate (\$)	Progress of consultation (under planning/ in progress/ completed)	Mode of consultation (e.g. by means of written submissions, consultation sessions, focus groups), number of consultation exercises, name of organisations and number of people consulted/to be consulted	The Administration's follow-up actions on the consultation results and the progress made (if applicable)	For consultations already completed, were the results publicised? If so, what were the channels? If not, why not?

Asked by: Hon. EU Yuet-mee, Audrey

Reply:

Consultations conducted by the Intellectual Property Department (IPD) in 2009-10 are listed as follows:

Name/subject of consultation	Revised estimate (\$)	Progress of consultation (under planning/ in progress/ completed)	Mode of consultation (e.g. by means of written submissions, consultation sessions, focus groups), number of consultation exercises, name of organisations and number of people consulted/to be consulted	The Administration's follow-up actions on the consultation results and the progress made (if applicable)	For consultations already completed, were the results publicised? If so, what were the channels? If not, why not?
Public consultation on the new Copyright Tribunal Rules	Using existing resources	Completed	The Administration published a consultation paper and invited written submissions from the community (in particular professional and copyright licensing bodies) on the government's proposals.	The Administration has received a total of 7 written submissions from professional and licensing bodies, and has studied and considered all the views collected. The Administration is now working with the consultant in drafting the specific provisions of the new Copyright Tribunal Rules.	Written submissions from professional and licensing bodies have been uploaded onto the websites of IPD and the Copyright Tribunal ( <a href="http://www.ipd.gov.hk">www.ipd.gov.hk</a> ; <a href="http://www.ct.gov.hk">www.ct.gov.hk</a> ) for public information.
Certificate of Grant of Short-term Patent – Proposed inclusion of notes in the Certificate of Grant of Patent, conveying to the patent owner and relevant parties the message that the Patents Registry has not conducted substantive examination on the patentability of an invention	Using existing resources	Completed	Bodies of intellectual property practitioners (the Law Society of Hong Kong, the Hong Kong Institute of Trade Mark Practitioners and the Asian Patent Attorneys Association (Hong Kong Group) and relevant parties were consulted in writing.	IPD has started implementing the proposal.	Bodies of intellectual property practitioners have been informed through meetings of the implementation of the proposal.



Name/subject of consultation	Revised estimate (\$)	Progress of consultation (under planning/ in progress/ completed)	Mode of consultation (e.g. by means of written submissions, consultation sessions, focus groups), number of consultation exercises, name of organisations and number of people consulted/to be consulted	The Administration's follow-up actions on the consultation results and the progress made (if applicable)	For consultations already completed, were the results publicised? If so, what were the channels? If not, why not?
Currently, some applicants do not pay application fees when submitting their trademark applications. To use resources in an effective way, the Trade Marks Registry proposes amending the process of handling such cases	Using existing resources	Completed	Bodies of intellectual property practitioners (the Law Society of Hong Kong, the Hong Kong Institute of Trade Mark Practitioners and the Asian Patent Attorneys Association (Hong Kong Group)) and e-filers registered with IPD were consulted in writing.	IPD has implemented administrative measures to amend the process of handling trademark applications without payment of application fees. In the long run, IPD will consider amending the relevant provisions of the trademark laws and conducting consultation on details of the proposed amendment.	Bodies of intellectual property practitioners and e-filers have been informed of the implementation of the administrative measures in writing.

Signature \_\_\_\_\_

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

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

Date \_\_\_\_\_

Stephen SELBY

Director of Intellectual Property

18.3.2010

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

Reply Serial No.

**CEDB(CIT)174**

Question Serial No.

2418

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:

Please provide details of the consultations on policy making and assessment under all programmes in the following format. Have resources been earmarked for holding consultations in 2010-11? If so, please provide the following details:

Name/subject of consultation	Expenditure (\$)	Progress of consultation (under planning/ in progress/ completed)	Mode of consultation (e.g. by means of written submissions, consultation sessions, focus groups), number of consultation exercises, name of organisations and number of people consulted/to be consulted	For consultations scheduled for completion in the financial year 2010-11, will the results be publicised? If not, what are the reasons?
–	–	–	–	–

Asked by: Hon. EU Yuet-mee, Audrey

Reply:

We have not earmarked any resources for holding consultations on policy-making and assessment in 2010-11.

Signature \_\_\_\_\_

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

**Stephen SELBY**

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

**Director of Intellectual Property**

Date \_\_\_\_\_

**18.3.2010**

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

Reply Serial No.

**CEDB(CIT)175**

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:

Under the Programme of Protection of Intellectual Property, the estimate for 2010-11 is 7.4% lower than the original estimate for 2009-10. Please set out the items with requirements in operating expenses reduced over last year, and the ways to ensure that services provided will not be affected by the reduction in expenses.

The number of media interviews, briefings and press conferences projected for 2010 is smaller than those in 2008 and 2009. How can the reduced provision meet the actual requirements in expenses in this respect? What will be done to ensure that the publicity work will not be impeded?

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

The main reasons for the 2010-11 estimate under the Programme of Protection of Intellectual Property being 7.4% lower than the original estimate for 2009-10 are the adjustment in civil service pay and some staff changes in respect of two Solicitor posts in 2009, resulting in a reduction in the estimates for salaries and allowances. Through flexible deployment of existing resources, we will ensure that our services will not be affected.

We project that the number of media interviews, briefings and press conferences in 2010 will be less by two relative to the actual number in 2009, having regard mainly to the timing of the launching of new policies/initiatives/legislation this year. The financial provision for our publicity and promotion activities for 2010-11 is similar to the original estimate for 2009-10 and hence our publicity efforts on intellectual property protection will not be affected.

Signature \_\_\_\_\_

Name in block letters Stephen SELBY

Post Title Director of Intellectual Property

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)176**

Question Serial No.

2723

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:

The Intellectual Property Department will extend the Intellectual Capital Management Consultancy Programme for one year. With regard to this, please provide the following information:

- (a) What are the details of this Programme?
- (b) How many cases of seeking free intellectual capital management consultancy service through this Programme in 2007-08, 2008-09 and 2009-10?
- (c) What additional resources are required for extending this Programme for one year?

Asked by: Hon. PAN Pey-chyou

Reply:

The Intellectual Property Department has, in collaboration with the Trade and Industry Department and the Innovation and Technology Commission, launched a 1-year Intellectual Capital Management Consultancy Programme in March 2009 to offer a free consultancy service to enterprises, especially small and medium enterprises. The aim of the Programme is to help enterprises capitalise on and manage their intangible assets, with a view to effectively and systematically exploiting and protecting these assets for the long-term economic benefits of both the enterprises themselves and Hong Kong.

Under the Programme, our Intellectual Capital Management Consultants will visit each participating enterprise twice (each comprising a 3-hour session) to provide free consultancy service. Our consultants will help the responsible persons inspect the enterprise's existing intellectual assets and encourage them to compile "intellectual capital reports" (IC reports), so that they can unleash their business potential through effective use and proper protection of their intellectual capital. Details of the Programme are available on [www.ipd.gov.hk/eng/icm.htm](http://www.ipd.gov.hk/eng/icm.htm).

Since the Programme was only launched in March 2009, data for 2007-08 and 2008-09 are not available. As for 2009-10, about 320 enterprises have participated in the Programme.

Noting that the Programme has been well received and recognised by various supporting organisations (including the business community, non-profit-making organisations and charitable institutions), the Administration decided to extend it for another year. The second phase of the Programme was launched in March 2010. In addition to securing the continuous support of co-organisers and other supporting organisations which participated in phase one, the Department has solicited support from partnering lending institutions (including five banks) to offer more favourable financial and/or service privilege(s) to enterprises who could submit their own IC reports upon the successful application for business loans. An additional provision of about \$4 million will be required for extending the Programme for one year.

Signature \_\_\_\_\_

Name in block letters Stephen SELBY

Post Title Director of Intellectual Property

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)177**

Question Serial No.

1023

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:

It is learnt that in 2010-11, the Administration will support the business community in strengthening their intellectual property (IP) protection in the Mainland through the Guangdong/Hong Kong Expert Group on the Protection of IP Rights. Please advise on:

- (a) the latest progress in this respect; whether the Administration has drawn up any concrete follow-up measures; and the expenditure and manpower involved;
- (b) whether there have been any cases of Guangdong/Hong Kong cooperation in this respect which are considered to be quite successful; whether the two sides have encountered any difficulties; whether the Administration will conduct a comprehensive review of the operation of the mechanism; if so, the details and the resources involved; if not, the reasons for that.

Asked by: Hon. TAM Wai-ho, Samson

Reply:

- (a) The Intellectual Property Department (IPD) conducts promotion and publicity activities in collaboration with intellectual property (IP) departments of Guangdong on a regular basis under the framework of the "Guangdong/Hong Kong Expert Group on the Protection of IP Rights" (Expert Group). Cooperation items include organising symposia and talks on specific topics, establishing an IP database and website\*, with a view to disseminating information on IP to the business community (including Hong Kong small and medium enterprises operating in the Mainland). The two sides also jointly organise exchange programmes from time to time for networking between the local business sector and IP practitioners in the Mainland. In 2010-11, we will set aside some \$300,000 for launching a number of activities in collaboration with the Guangdong side. These include:
  - "Symposium on Patent Law Amendment and Implementation of the Mainland" to be held in Hong Kong in end-March 2010;

\* Examples include the Intellectual Property Database for Guangdong, Hong Kong and Macao <[www.ip-prd.net](http://www.ip-prd.net)> and the Mainland Enterprises Corner <[www.ipd.gov.hk/eng/mainland\\_networking.htm](http://www.ipd.gov.hk/eng/mainland_networking.htm)>.

- “Seminar on Intellectual Property and the Development of Small and Medium Enterprises” to be held in Guangzhou in April 2010.

IPD has a team of three Intellectual Property Examiners responsible for matters relating to Mainland/Hong Kong IP cooperation.

(b) Since its establishment in 2003, the Expert Group has been meeting annually to review the accomplishments of the cooperation initiatives, explore further cooperation between the two sides and take forward new items. Under this cooperation framework, the two sides have jointly organised a number of symposia, talks and exchange programmes for enterprises and established a database on IP. In 2009, we have successfully completed the following cooperation items:

- A Booklet on IP for Guangdong, Hong Kong and Macao was produced by IPD, the Guangdong Intellectual Property Office, and the Macau SAR Economic Services to provide IP information of the three places, including legislation, application procedures for registration and the relief channels in case of infringement;
- Exchange programmes were jointly organised in both places in July and December 2009 respectively for enterprises in the creative industries to facilitate sharing of experience in IP protection and management; and
- Activities such as “Practical Training on IP Protection in Exhibitions and Conventions” and “Training on Use of Patent Information by Hong Kong enterprises to Accelerate Restructuring and Upgrading” were jointly organised by the two sides in Yangjiang and Guangzhou in December 2009 to support Hong Kong enterprises in Guangdong in strengthening their IP protection.

Signature

\_\_\_\_\_

Name in block letters

Stephen SELBY

Post Title

Director of Intellectual Property

Date

18.3.2010

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

Reply Serial No.

**CEDB(CIT)178**

Question Serial No.

2200

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:

Please provide the following information on the procurement of services of employment agencies (EAs):

- (a) the number of contracts signed with EAs;
- (b) the contract sum and term of service for each EA;
- (c) the number of workers supplied by each EA and their duties;
- (d) details of the pay of workers supplied by each EA, including the range of monthly salaries and that of daily or hourly wages;
- (e) with regard to the above items, please provide the respective numbers and percentage changes for each of the following years:

	2010-11	2009-10	2008-09	2007-08
Number of EAs	( )	( )	( )	( )
Total contract sums for each EA	( )	( )	( )	( )
Average term of service for EAs	( )	( )	( )	( )
Total number of workers supplied by each EA	( )	( )	( )	( )
Pay of workers (highest, median and lowest) supplied by EAs	Highest ( )	Highest ( )	Highest ( )	Highest ( )
	Median ( )	Median ( )	Median ( )	Median ( )
	Lowest ( )	Lowest ( )	Lowest ( )	Lowest ( )

*Figures in ( ) denote percentage changes*

- (f) the proportion of workers supplied by EAs in the existing staff in the department; and
- (g) the proportion of expenditure on procuring the services of EAs in departmental expenditure.

Asked by: Hon. WONG Kwok-hing



Reply:

With regard to items (a) to (e) and item (g), the information requested is as follows:

	2010-11	2009-10	2008-09	2007-08
Number of EAs		1* (-50%)	2 (0%)	2 (0%)
Range of total contract sums for each EA		\$26,000 (-91.4%)  (figure at the higher end of the previous year's range adopted for comparison)	\$18,000 — \$302,000 (+63.6% — +106.8%)	\$11,000 — \$146,000 (-79.6% — +124.6%)
Average term of service for EAs		3 months (- 53.8%)  (figure at the higher end of the previous year's range adopted for comparison)	2 — 6.5 months (0% — +85.7%)	2 — 3.5 months (0%)
Total number of workers supplied by each EA and the duties involved	Information for 2010-11 is not yet available in this juncture	1* (-50%)  (figure at the higher end of the previous year's range adopted for comparison)	1 — 2 (0% — -50%)	1 — 4 (0% — +300%)
		Promotion and publicity, programme administration	Promotion and publicity, programme administration, general office support services	Promotion and publicity, programme administration, general office support services
Proportion of expenditure on procuring the services of EAs in departmental expenditure (%)		0.03% (-0.27%)  (figure at the higher end of the previous year's range adopted for comparison)	0.02% — 0.3% (+0.01% — +0.1%)	0.01% — 0.2% (+0.003% — +0.19%)
Pay of workers (highest, median and lowest) supplied by EAs	Service fees payable to an EA by the department are set out in the contract signed between them. The department will normally not specify the range of wages to be paid to the workers supplied by the EA, unless unskilled workers are involved. Thus, the information requested is not available.			

*Figures in ( ) denote percentage changes*

\* This Department is not hiring any EA at present. The figure shown is the highest of the year.

Regarding item (f), the information requested is not available as this Department is not hiring any EA at present.

Signature	_____
Name in block letters	Stephen SELBY
Post Title	Director of Intellectual Property
Date	18.3.2010

Examination of Estimates of Expenditure 2010-11

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

Reply Serial No.

**CEDB(CIT)179**

Question Serial No.

2201

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:

Please list in the table below information on the employment of temporary staff to provide services:

	2010-11	2009-10	2008-09	2007-08
Total number of temporary staff	( )	( )	( )	( )
Total expenditure on salaries of temporary staff employed	( )	( )	( )	( )
Percentage of temporary staff in the total number of staff in the department	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by: Hon. WONG Kwok-hing

Reply:

The information on the employment of temporary staff in the years from 2007-08 to 2010-11 is as follows:

	2010-11	2009-10	2008-09	2007-08
Total number of temporary staff	Information for 2010-11 is not yet available in this juncture	Note 1		
Total expenditure on salaries of temporary staff employed		\$110,000 (-45%)	\$200,000 (+100%)	\$100,000 (+100%)
Percentage of temporary staff in the total number of staff in the department		Note 2		

*Figures in ( ) denote year-on-year changes*

- Note 1: Temporary staff were employed mainly to assist the implementation of the 3-month Intellectual Property Tutor Programme. The number of tutors employed each year was about 10.
- Note 2: Intellectual property tutors were employed on a part-time basis. As they are not full-time staff, it is inappropriate to compare their number with the total number of staff in the Department.

Signature \_\_\_\_\_

Name in block letters Stephen SELBY

Post Title Director of Intellectual Property

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)180**

Question Serial No.

2202

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:

Please provide the following information on the employment of non-civil service contract (NCSC) staff to provide services:

	2010-11	2009-10	2008-09	2007-08
Number of NCSC staff	( )	( )	( )	( )
Total expenditure on the salaries of NCSC staff	( )	( )	( )	( )
Average length of employment of NCSC staff in years	( )	( )	( )	( )
Number of NCSC staff converted to civil servants on permanent terms	( )	( )	( )	( )
Number of NSCS staff who had chances for conversion but failed to do so	( )	( )	( )	( )
Percentage of NCSC staff in the total number of staff in the department	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by: Hon. WONG Kwok-hing

Reply:

The information on the employment of non-civil service contract (NCSC) staff to provide services in the years from 2007-08 to 2010-11 is as follows:

	2010-11	2009-10	2008-09	2007-08
Number of NCSC staff	Information for 2010-11 is not yet available in this juncture	[As at 28.2.2010]	[As at 31.3.2009]	[As at 31.3.2008]
		18 (-28%)	25 (-24.2%)	33 (-2.9%)
Total expenditure on the salaries of NCSC staff		\$6.03m (-7.2%)	\$6.5m (-18.3%)	\$7.96m (-3.6%)

	2010-11	2009-10	2008-09	2007-08
Average length of employment of NCSC staff in years	Information for 2010-11 is not yet available in this juncture	[As at 28.2.2010]	[As at 31.3.2009]	[As at 31.3.2008]
		2.6 (-10.3%)	2.9 (+ 20.8%)	2.4 (+4.3%)
Number of NCSC staff converted to civil servants on permanent terms*		5 (+66.7%)	3 (—)	0 (-100%)
Number of NCSC staff who had chances for conversion but failed to do so *		0 (-100%)	6 (+500%)	1 (—)
Percentage of NCSC staff in the total number of staff in the department		[As at 28.2.2010]	[As at 31.3.2009]	[As at 31.3.2008]
	14.3% (- 4.2%)	18.5% (-7.9%)	26.4% (- 0.6%)	

*Figures in ( ) denote year-on-year changes*

\* The figures under these two items refer to cases of NCSC staff in IPD applying for / taking up posts within the Department.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ Stephen SELBY

Post Title \_\_\_\_\_ Director of Intellectual Property

Date \_\_\_\_\_ 18.3.2010

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

Reply Serial No.

**CEDB(CIT)181**

Question Serial No.

2203

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:

Please provide information on outsourced services (including property management, security, cleansing, telecommunications and information technology, statistics, etc., but excluding construction works) in the format set out below:

	2010-11	2009-10	2008-09	2007-08
Total number of outsourced service contracts	( )	( )	( )	( )
Total value of outsourced service contracts	( )	( )	( )	( )
Total number of workers employed under outsourced service contracts	( )	( )	( )	( )
Number of workers employed under outsourced service contracts who can be replaced by permanent staff employed by the Government	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by: Hon. WONG Kwok-hing

Reply:

The information on our outsourced services in the years from 2007-08 to 2010-11 is as follows:

	2010-11	2009-10	2008-09	2007-08
Total number of outsourced service contracts	1 (0%)	1 (0%)	1 (0%)	1 (0%)
Total value of outsourced service contracts	\$17.80 m (Estimate) (+6.9%)	\$16.65 m (+4.1%)	\$16.00 m (-0.1%)	\$16.01 m (-1.8%)
Total number of workers employed under outsourced service contracts	46 (0%)	46 (0%)	46 (0%)	46 (+2.2%)
Number of workers employed under outsourced service contracts who can be replaced by permanent staff employed by the Government	0 (-)	0 (-)	0 (-)	0 (-)

*Figures in ( ) denote year-on-year changes*

Signature \_\_\_\_\_

Name in block letters Stephen SELBY

Post Title Director of Intellectual Property

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)182**

Question Serial No.

0022

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:

How will the Department assist small and medium enterprises operating in Hong Kong and the Mainland to apply for patents in order to protect their intellectual property rights? What are the respective amounts of resources provided for such purposes? Apart from financial assistance, are there any other forms of support or assistance available and what are the manpower and financial arrangements involved?

Asked by: Hon. WONG Ting-kwong

Reply:

To assist small and medium enterprises (SMEs) and others to protect their patent rights for inventions, the Intellectual Property Department (IPD) has uploaded materials such as guidance notes for patent applicants, information on the application and examination process, relevant laws and frequently asked questions onto the patent section of its website <[www.ipd.gov.hk/eng/patents.htm](http://www.ipd.gov.hk/eng/patents.htm)>. IPD has been maintaining close liaison with the industrial and business sectors and providing SMEs with materials on patent registration and other intellectual property (IP) related matters are through participation in exhibitions in Hong Kong and publication of feature articles in newspapers. In 2010-11, about \$260,000 has been earmarked for the promotional work in Hong Kong which will be undertaken by six officers from the Marketing Division of the Department.

IPD works closely with the Mainland authorities responsible for IP protection to provide enterprises with information on IP. Our work includes regularly updating and enriching the content of the IP Database for Guangdong, Hong Kong and Macao <[www.ip-prd.net](http://www.ip-prd.net)> and the Mainland Enterprises Corner <[www.ipd.gov.hk/eng/mainland\\_networking.htm](http://www.ipd.gov.hk/eng/mainland_networking.htm)>. In collaboration with the Guangdong Intellectual Property Office and the Macao SAR Economic Services, we prepared a booklet on IP for Guangdong, Hong Kong and Macao to provide information on the relevant legislation, application procedures for IP registration as well as the relief channels in case of IP right infringement across the three places. Copies of the booklet are distributed through the Support and Consultation Centre for SMEs of the Trade and Industry Department, the Business InfoCentre of Hong Kong Trade Development Council, the Cyberport Digital Entertainment Incubation-cum-Training Centre, the Digital Media Centre. They can also be obtained from seminars or exhibitions that IPD organises or participates in. The e-text of the booklet may be downloaded from IPD's website <[www.ipd.gov.hk/chi/pub\\_press/publications/IP\\_Booklet\\_tradi\\_cover\\_tc.pdf](http://www.ipd.gov.hk/chi/pub_press/publications/IP_Booklet_tradi_cover_tc.pdf)>.



IPD also collaborates with the relevant Mainland authorities in organising educational, promotional and exchange activities from time to time to provide SMEs operating in the two places with information on IP issues and to facilitate their networking with IP practitioners in the Mainland. We have set aside some \$260,000 for organising joint activities related to patent with the Mainland authorities in 2010-11 which include:

- “Symposium on Patent Law Amendment and Implementation of the Mainland” in collaboration with Guangdong to be held in end-March 2010 in Hong Kong;
- “Guangdong/Hong Kong Seminar on IP and Development of SMEs” in collaboration with Guangdong to be held in April 2010 in Guangzhou; and
- “Mainland, Hong Kong SAR and Macao SAR Intellectual Property Symposium” in collaboration with, the State Intellectual Property Office and the Macao SAR Economic Services scheduled to be held in October 2010.

Three Intellectual Property Examiners of IPD are responsible for the above Mainland/Hong Kong related events.

Apart from the IPD initiatives above, financial assistance is provided to local companies (including SMEs) and individuals under the Patent Application Grant of the Innovation and Technology Fund to help companies or individuals on their first application for seeking patents for their own inventions. Each approved application may receive a grant of up to \$150,000.

Signature \_\_\_\_\_

Name in block letters Stephen SELBY

Post Title Director of Intellectual Property

Date 18.3.2010

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

Reply Serial No.

**CEDB(CIT)183**

Question Serial No.

1663

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:

The new Copyright Ordinance that prescribes the circumstances in which the copying and distribution offence does not apply will take effect in the middle of this year. In view of the wide implication of the Ordinance, in what way will the Administration carry out publicity and education programmes throughout the territory before the Ordinance comes into force? What are the details and resources thus involved?

Asked by: Hon. WONG Ting-kwong

Reply:

The provisions relating to the copying and distribution offence under the respective Copyright (Amendment) Ordinances enacted in 2007 and 2009 are expected to take effect in the second half of 2010. The Intellectual Property Department will roll out a series of publicity and public education activities in the coming months bringing these provisions to the attention of the public, the business sector and other organisations through channels including advertisements in newspapers and magazines, seminars, leaflets, websites and e-newsletters. Moreover, we have revised the Guidance Note on Prevention of End-User Piracy in Business and printed a new edition to assist the management of the business sector (especially small and medium enterprises) and other organisations to better manage their copyright assets. This would enable them to get prepared before the relevant provisions come into effect and help avoid inadvertent breaches of the law. The estimated budget for the above publicity and public education activities is about \$1.1 million, to be spent in 2009-10 and 2010-11 respectively.

Signature \_\_\_\_\_

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

Stephen SELBY

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

Director of Intellectual Property

Date \_\_\_\_\_

18.3.2010

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

Reply Serial No.

**CEDB(CIT)184**

Question Serial No.

1671

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:

To promote the wider application of intellectual property by enterprises and the development of creative industries, the Government will extend the tax reduction arrangement to cover registered trademarks, copyrights and registered designs. In this connection, will adjustments be made to the estimates for 2010 regarding trademarks and designs etc. under this programme? What adjustments in manpower and resources are required for this programme under the new arrangement?

Asked by: Hon. WONG Ting-kwong

Reply:

It is proposed in the Budget that the existing tax reduction arrangement applying to capital expenditure for purchasing patent rights and industrial know-how should be extended to cover registered trademarks, copyrights and registered designs. This arrangement affects the number of cases for assignment of intellectual property. The estimates regarding the registration of trademarks and designs under this programme reflect the number of applications for registration of new trademarks and designs while excluding applications for assignment, though we are also responsible for this kind of registration. Since the tax reduction arrangement will not have a significant impact on the number of applications for registration of new trademarks and designs, it is not necessary to adjust our estimates.

We envisage that our existing resources will be sufficient to handle applications for assignment of registered trademarks and designs in 2010.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ Stephen SELBY

Post Title \_\_\_\_\_ Director of Intellectual Property

Date \_\_\_\_\_ 18.3.2010

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

Reply Serial No.

**CEDB(CIT)185**

Question Serial No.

1678

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:

The Government hopes to provide our young people with job opportunities to give play to their creativity through the CreateSmart Initiative (see paragraph 103 of the Budget Speech). In addition to encouraging their creativity, how will the Administration help them enhance their awareness of intellectual property (IP) rights and obtain IP protection under this Programme? Please provide the specific initiatives to be adopted and the amount of resources to be allocated in this respect.

Asked by: Hon. WONG Ting-kwong

Reply:

The Intellectual Property Department has all along spared no effort in enhancing the awareness of intellectual property rights (IPR) among the general public, including young people. An annual budget of about \$8 million has been earmarked for publicity and public education programmes.

In the coming year, we will continue our efforts to promote respect for IPR among young people and educate them on how to protect their own IPR through APIs, school talks, interactive drama programmes, exhibitions, online interactive education kits, comic books, as well as a movie clips production competition organised in collaboration with other organisations. The expenditure for these activities, which has been included in the Department's budget for publicity and public education programmes, amounts to about \$1.1 million.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ Stephen SELBY

Post Title \_\_\_\_\_ Director of Intellectual Property

Date \_\_\_\_\_ 18.3.2010

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

Reply Serial No.

**CEDB(CIT)186**

Question Serial No.

2419

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 :

Please provide details of the consultations on policy making and assessment under all programmes in the following format. Using the table below, please provide information on the consultations for which funds had been allocated in 2009-10:

Name/subject of consultation	Revised estimate (\$)	Progress of consultation (under planning/in progress/completed)	Mode of consultation (e.g. by means of written submissions, consultation sessions, focus groups), number of consultation exercises, name of organizations and number of people consulted /to be consulted	The Administration's follow-up actions on the consultation results and the progress made (if applicable)	For consultations already completed, were the results publicised? If so, what were the channels? If not, why not?
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Asked by : Hon. EU Yuet-mee, Audrey

Reply :

Invest Hong Kong did not conduct any consultation on policy making and assessment in 2009-10.

Signature \_\_\_\_\_

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

SIMON GALPIN

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

Director-General of Investment Promotion

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)187**

Question Serial No.

2420

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 :

Please provide details of the consultations on policy making and assessment under all programmes in the following format. Have resources been earmarked for holding consultations in 2010-11? If so, please provide the following details.

Name/subject of consultation	Expenditure (\$)	Progress of consultation (under planning/in progress/completed)	Mode of consultation (e.g. by means of written submissions, consultation sessions, focus groups), number of consultation exercises, name of organizations and number of people consulted /to be consulted	For consultations scheduled for completion in the financial year 2010-11, will the results be publicised? If not, what are the reasons?

Asked by : Hon. EU Yuet-mee, Audrey

Reply :

Invest Hong Kong has no plan to conduct any consultation on policy making and assessment in 2010-11.

Signature \_\_\_\_\_

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

SIMON GALPIN

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

Director-General of Investment Promotion

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)188**

Question Serial No.

1407

Head : 79- Invest Hong Kong

Subhead (No. & title) : -

Programme :

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

1. Regarding the nationwide marketing campaign "On Your Marks, Get-set, Go!" aimed at attracting the Mainland privately-owned enterprises to Hong Kong, please advise on the details and assess its effectiveness.
2. Please provide details of the Department's aftercare support service to companies already established in Hong Kong, and advise on the manpower and expenditure involved.

Asked by : Hon. Mrs Regina IP LAU Suk-ye

Reply :

To encourage and assist more Mainland companies to set up in Hong Kong, Invest Hong Kong (InvestHK) has launched a three-year nation-wide marketing campaign, "On Your Marks, Get-set, Go!" since 2007. The campaign focuses on seven high-growth provinces across the Mainland and aims to provide privately-owned enterprises with the necessary information and support to expand internationally by using Hong Kong as their gateway. It features a series of high-level seminars, focused workshops and incoming study missions supported by advertising and public relations campaigns. InvestHK has carried out the campaign in the five provinces of Zhejiang, Shandong, Fujian, Jiangsu and Sichuan. The "On Your Marks, Get-Set, Go" campaign is useful in actively reaching out to companies on the Mainland with the potential to set up in Hong Kong and generating prospective projects. The campaign has enhanced awareness of the services provided by InvestHK amongst Mainland companies. The number of completed Mainland projects has increased from 41 in 2006 to 48 in 2009, resulting in an increase in the number of new jobs to be created, within two years of establishment or expansion of the Mainland companies, from 1 021 in 2006 to 1 621 in 2009. We will continue to organize the campaign in Guangdong and Liaoning before the fourth quarter of 2010.

InvestHK provides a wide range of aftercare support services to companies already established in Hong Kong such as assistance in licensing, visa applications for expatriate employees and placement in international schools when these companies expand their businesses in Hong Kong. With enhanced research capability upon the establishment of the Research and Knowledge Management Team, InvestHK will also be able to provide up-to-date analysis of the latest economic developments and offer advice on sector specific opportunities to better support strategic aftercare clients to expand or upgrade their operations. As part of its efforts in delivering the aftercare services, InvestHK also organises

sector-focused events to provide networking opportunities with existing foreign investors and strengthen the relationship with overseas, Mainland and Taiwan companies currently in Hong Kong.

InvestHK has strengthened its aftercare services to companies in Hong Kong through internal redeployment of existing resources. The estimated expenditure for the new Research and Knowledge Management Team is \$1 million and that for organising the above-mentioned sector-focused events is about \$2 million.

Signature	_____
Name in block letters	<u>SIMON GALPIN</u>
Post Title	<u>Director-General of Investment Promotion</u>
Date	<u>16.3.2010</u>



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

Reply Serial No.

**CEDB(CIT)189**

Question Serial No.

2263

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 :

Invest Hong Kong plans to continue to organise joint overseas marketing activities with Pearl River Delta cities in 2010-11. What are the specific work plans and breakdown of the expenditure involved?

Asked by : Hon. LAM Tai-fai

Reply :

Invest Hong Kong (InvestHK) has been conducting a series of joint investment promotion events in key overseas markets in collaboration with Mainland provinces and cities since September 2002 to promote the combined advantages offered by Hong Kong and the Mainland, in particular the Greater Pearl River Delta region. These joint promotion events include seminars and business matching sessions targeted at corporations with the potential to set up their business either in Hong Kong or the Pearl River Delta region. In 2010-11, Invest HK plans to organise 3 to 4 joint overseas promotion events with our Pearl River Delta partners. Among these, we will partner with Shenzhen in Venice (April) and Guangdong Province in New Delhi (October). The estimated expenditure for joint promotion activities in 2010-11 in collaboration with Mainland provinces and cities, including Pearl River Delta cities, is \$2.5 million.

Signature \_\_\_\_\_

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

SIMON GALPIN

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

Director-General of Investment Promotion

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)190**

Question Serial No.

0545

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 :

Invest Hong Kong approaches hundreds of target companies in markets worldwide to encourage them to set up operations in Hong Kong, attract and retain foreign direct investment, and promote the business sectors and industries where Hong Kong has a competitive edge. Regarding the estimated provision of \$105.8 million for 2010-11, please set out those funded projects targeting ASEAN and the expenditure involved.

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

Invest Hong Kong conducts its investment promotion (IP) work in target ASEAN countries mainly through the Head Office in Hong Kong and the part-time consultant in Singapore. Planned activities in target ASEAN countries include -

- (a) IP visits and meetings to reach out to companies in these economies to encourage them to establish a presence or expand their operations in Hong Kong;
- (b) facilitation services to assist companies in setting up their businesses here and aftercare support for companies already in Hong Kong;
- (c) networking and marketing events to generate projects leads and reach out to potential investors; and
- (d) advertising and public relations campaign to enhance the awareness of Hong Kong as the leading international business location in Asia.

The expenditure of these activities involves staff costs and general marketing and promotion expenses which cannot be separately itemised.

Signature \_\_\_\_\_

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

SIMON GALPIN

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

Director-General of Investment Promotion

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)191**

Question Serial No.

2838

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 Matters Requiring Special Attention 2010-11, Invest Hong Kong indicated it will “strengthen aftercare support with enhanced research capabilities” Please clarify how research capabilities will be enhanced, how this will facilitate aftercare support and the estimated expenditure to be incurred in support of this effort.

Asked by : Hon David K.P. Li

Reply :

Invest Hong Kong (InvestHK) has set up a new Research and Knowledge Management Team to undertake research to cater for the development needs of the Department with a view to enhancing its service offering and strategic focus. The dedicated team will be responsible for researching into business opportunities in target sectors and industries as well as the latest economic developments in competing economies. The team will also provide analysis of Hong Kong's competitive advantages and keep close monitor of worldwide developments which will impact on the business environment in Hong Kong. With this enhanced research capability, InvestHK can better support strategic aftercare clients to expand or upgrade their operations through the provision of up-to-date business related information and advice on sector specific opportunities.

The estimated expenditure involved is around \$1 million.

Signature \_\_\_\_\_

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

**SIMON GALPIN**

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

Director-General of Investment Promotion

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)192**

Question Serial No.

3096

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 provision for Invest Hong Kong for 2010-11 is shown to be 4.9% less than the revised estimate for 2009-10. It is stated that this is mainly due to a decreased cash flow requirement for a general non-recurrent item in 2010-11, partly offset by the increased provision to sustain the momentum of investment promotion work. However, according to the Finance Committee paper on the relevant non-recurrent financing request from 11 January 2008 (FCR(2007-08)43), the estimated cash flow commitment would be \$42.8 million for 2008-09, \$33.3 million for 2009-10 and \$33.4 million for 2010-11. In other words, the non-recurrent expenditure in 2009-10 and 2010-11 was expected to be flat. Further, it is stated under Item Code 009 in the Estimates that \$42.5 million was spent in 2009-10 instead of the originally proposed \$33.3 million, and that only \$25.8 million remains – short of the \$33.4 million originally proposed to be spent in 2010-11. Please explain. Please also advise why it will be necessary to increase general departmental expenses by some \$12 million in 2010-11, or 25%, in order to “sustain the momentum of investment promotion work”, given that the supplementary funding approved in 2008 was supposed to support an enhanced level of investment promotion work through to the end of 2010-11.

Asked by : Hon. David K.P.LI

Reply :

Non-recurrent funding has been allocated to Invest Hong Kong (InvestHK) to enhance its investment promotion efforts since 2003-04, following Finance Committee's approval in June 2003 to create a commitment of \$200 million which was subsequently increased by \$100 million to \$300 million in January 2008. Since the provision of additional funding from 2003-04, InvestHK has been operating on an annual budget of around \$110 million. The budget of InvestHK (in million) from 2004-05 to 2009-10 is illustrated below-

<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>
\$110.7	\$106.2	\$106.1	\$107.2	\$109.3	\$111.6

In 2010-11, the provision for InvestHK is \$105.8 million. Among this, \$25.8 million comes from the balance of the \$300 million non-recurrent commitment while the remaining portion is provided from the recurrent expenditure. The balance of the non-recurrent funding will be \$25.8 million in 2010-11 instead of the originally proposed \$33.3 million because of the adjustment of cash flow requirement in 2009-10 to sustain the momentum of investment promotion activities which was important in the wake of the financial tsunami. In 2010-11,

the increase of \$11.7 million in general departmental expenses is essential for InvestHK to maintain the same level of budget as in previous years in order to sustain its current service level in view of the depletion of the non-recurrent commitment in 2010-11.

Signature	_____
Name in block letters	<u>SIMON GALPIN</u>
Post Title	<u>Director-General of Investment Promotion</u>
Date	<u>16.3.2010</u>

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

Reply Serial No.

**CEDB(CIT)193**

Question Serial No.

2724

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 :

Please provide the following information on investment promotion:

- (a) What kind of investment promotional activities have been held by Invest Hong Kong over the past three years (i.e. 2007-08, 2008-09 and 2009-10)?
- (b) Will there be any new investment promotional activities in 2010-11? If yes, please provide the details and the expenditure involved; if no, what are the reasons?
- (c) What are the economic benefits expected from various regions (including the Mainland, Taiwan and other emerging markets such as India, Middle East, Russia and South America)?

Asked by : Hon. PAN Pey-chyou

Reply :

- (a) Ongoing investment promotion (IP) activities have been carried out by Invest Hong Kong (InvestHK) to promote Hong Kong's advantages and encourage overseas, Mainland and Taiwan companies to establish a presence or expand their business in Hong Kong. These include ongoing IP visits and meetings to reach out to companies, facilitation services to assist companies in setting up their business, aftercare support for companies that have already established a presence in Hong Kong, networking and marketing events to reach out to potential investors as well as advertising and public relations campaigns to enhance awareness of Hong Kong as a business location.
- (b) In 2010-11, InvestHK will continue with its investment promotion efforts through high-level seminars, sector-focused workshops, receiving incoming study missions, conducting investment promotion meetings and advertising and public relations campaigns. Highlights in 2010 include :
  - participation of InvestHK at the Shanghai World Expo 2010 which includes jointly organising a high-level seminar on financial services with HK Exchanges and Clearing Limited;
  - nation-wide marketing promotion campaign "On Your Marks, Get-set, Go!" campaign in Guangdong and Liaoning province during the first three quarters of 2010; and
  - joint investment promotion seminars in key overseas markets such as Zurich, Venice and India with Mainland provinces or cities.

(c) In 2009, InvestHK completed a record number of 265 projects, involving direct investment of some \$4.4 billion and the creation of over 6 000 new jobs within the first two years of operation or expansion of the companies. Of the 265 projects, some 73 (or 28%) were from the Mainland, Taiwan and other target emerging markets such as India, the Middle East, Russia and South America.

Signature	_____
Name in block letters	<u>SIMON GALPIN</u>
Post Title	<u>Director-General of Investment Promotion</u>
Date	<u>16.3.2010</u>

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

Reply Serial No.

**CEDB(CIT)194**

Question Serial No.

2186

Head : 79- Invest Hong Kong

Subhead (No. & title) : 000 Operational expenses

Programme :

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide the following information on the procurement of services of employment agencies (EAs):

- (a) the number of contracts signed with EAs;
- (b) the contract sum and term of service for each EA;
- (c) the number of workers supplied by each EA and their duties;
- (d) details of the pay of workers' supplied by each EA, including the range of monthly salaries and that of daily or hourly wages?
- (e) with regards to the above items, please provide the respective numbers and percentage changes for each of the following years:

	2010-11	2009-10	2008-09	2007-08
Number of EAs	( )	( )	( )	( )
Total contract sums for each EA	( )	( )	( )	( )
Average term of service for EAs	( )	( )	( )	( )
Total number of workers supplied by each EA	( )	( )	( )	( )
Pay of workers (highest, median and lowest) supplied by EAs	Highest ( )	Highest ( )	Highest ( )	Highest ( )
	Median ( )	Median ( )	Median ( )	Median ( )
	Lowest ( )	Lowest ( )	Lowest ( )	Lowest ( )

*Figures in ( ) denote percentage changes*

- (f) the proportion of workers supplied by EAs in the existing staff in the department; and
- (g) the proportion of expenditure on procuring the services of EAs in departmental expenditure.

Asked by : Hon. WONG Kwok-hing



Reply :

The required information on (a) to (e) is provided below –

	2010-11	2009-10 (as at 28.2.2010)	2008-09 (as at 31.3.2009)	2007-08 (as at 31.3.2008)
Number of EAs	Not yet available as the number of agency workers varies over time in accordance with the changing service needs.	1 (-67%)	3 (---)	0 (---)*
Total contract sums for each EA - \$100,000 or below		1 (-50%)	2 (---)	0 (---)*
- \$100,001 to 200,000		0 (-100%)	1 (---)	0 (---)*
Average term of service for EAs (month)		12 (+100%)	6 (---)	0 (---)*
Total number of workers supplied by each EA		1 (0%)	1 from each EA (---)	0 (---)*
Pay of workers (highest, median and lowest) supplied by EAs  - Highest - Median - Lowest	The contracts of Invest Hong Kong enter into with EAs specify the service fee charged by the latter in providing agency workers. We normally do not specify the wages of workers, except with regard to the wages of non-skilled workers. Hence we are unable to provide the information requested.			

*Figures in ( ) denote percentage changes*

\* No service was procured from EAs in 2006-07

The duties of the workers supplied by EAs include technical support, general office support, and public relations services.

- (f) As at 28.2.2010, the worker supplied by EAs accounts for about 1% of the existing staff of the department.
- (g) In 2009-10, the expenditure for procuring services from EAs accounts for about 0.4% of the departmental expenditure.

Signature \_\_\_\_\_  
Name in block letters SIMON GALPIN  
Post Title Director-General of Investment Promotion  
Date 16.3.2010

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

Reply Serial No.

**CEDB(CIT)195**

Question Serial No.

2187

Head : 79- Invest Hong Kong

Subhead (No. & title) : 000 Operational expenses

Programme :

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide information on the employment of temporary staff to provide services:

	2010-11	2009-10	2008-09	2007-08
Total number of temporary staff	( )	( )	( )	( )
Total expenditure on salaries of temporary staff employed	( )	( )	( )	( )
Percentage of temporary staff in the total number of staff in the department	( )	( )	( )	( )

Figures in ( ) denote year-on-year changes

Asked by : Hon. WONG Kwok-hing

Reply :

Invest Hong Kong did not/will not employ any temporary staff to provide services during the periods.

Signature \_\_\_\_\_

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

SIMON GALPIN

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

Director-General of Investment Promotion

Date \_\_\_\_\_

16.3.2010

Examination of Estimates of Expenditure 2010-11

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

Reply Serial No.

**CEDB(CIT)196**

Question Serial No.

2223

Head : 79- Invest Hong Kong

Subhead (No. & title) : 000  
Operational  
Expenses

Programme :

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide the following information on the employment of non-civil service contract (NCSC) staff to provide services:

	2010-11	2009-10	2008-09	2007-08
Number of NCSC staff	( )	( )	( )	( )
Total expenditure on salaries of NCSC staff	( )	( )	( )	( )
Average length of employment of NCSC staff in years	( )	( )	( )	( )
Number of NCSC staff converted to civil servants on permanent terms	( )	( )	( )	( )
Number of NCSC staff who had chances for conversion but failed to do so	( )	( )	( )	( )
Percentage of NCSC staff in the total number of staff in the department	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by : Hon. WONG Kwok-hing

Reply :

The required information is provided below –

	2010-11 <sup>(Note)</sup>	2009-10	2008-09	2007-08
Number of NCSC staff (as at 31 March for 2007-08 and 2008-09, projection for 2009-10 and 2010-11)	61 (+3)	58 (-3)	61 (+6)	55 (+1)
Total expenditure on salaries of NCSC staff (\$ million)	43.1 (+5.6)	37.5 (+2.6)	34.9 (+3.7)	31.2 (+1.2)
Average length of employment of NCSC staff in years	6 (+1)	5 (+1)	4 (0)	4 (+1)
Number of NCSC staff converted to civil servants on permanent terms	Unable to foresee	2 (+2)	0 (0)	0 (0)
Number of NCSC staff who had chances for conversion but failed to do so	Such information is not available as NCSC staff are not obliged to inform the Department when they apply for civil service posts on permanent terms.			
Percentage of NCSC staff in the total number of staff in the department	63.5%* (+1.1%)	62.4% (-1.1%)	63.5% (+2.4%)	61.1% (+0.4%)

*Figures in ( ) denote year-on-year changes*

*Note:*

- \* In the case of Invest Hong Kong, owing to the sector-focused and commercially-oriented approach of its work as well as the need to respond rapidly to changes in the economy and the emergence of new priority sectors for Hong Kong, we have engaged NCSC staff with private sector experience to fill the bulk of investment promotion positions. We will continue to do so in 2010-11 as reflected in the figures estimated in this column.

Signature \_\_\_\_\_

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

SIMON GALPIN

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

Director-General of Investment Promotion

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)197**

Question Serial No.

2224

Head : 79- Invest Hong Kong

Subhead (No. & title) : 000 Operational expenses

Programme :

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide information on outsourced services (including property management, security, cleansing, telecommunications and information technology, statistics, etc., but excluding construction works) in the format set out below:

	2010-11	2009-10	2008-09	2007-08
Total number of outsourced service contracts	( )	( )	( )	( )
Total value of outsourced service contracts (\$ million)	( )	( )	( )	( )
Total number of workers employed under outsourced service contracts	( )	( )	( )	( )
Number of workers employed under outsourced service contracts who have been/will be replaced by permanent staff employed by the Government	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by : Hon. WONG Kwok-hing

Reply :

The required information is provided below:

	2010-11	2009-10	2008-09	2007-08
Total number of outsourced service contracts	1 (0)	1 (0)	1 (0)	1 (0)
Total value of outsourced service contracts (\$ million)	0.2 (0)	0.2 (-96.2%)	5.3 (-22.1%)	6.8 (+7.9%)
Total number of workers employed under outsourced service contracts	4 (0)	4 (-33.3%)	6 (0)	6 (0)
Number of workers employed under outsourced service contracts who have been/will be replaced by permanent staff employed by the Government	0 (0)	0 (0)	0 (0)	0 (0)

*Figures in ( ) denote year-on-year changes*

Signature \_\_\_\_\_  
Name in block letters SIMON GALPIN  
Post Title Director-General of Investment Promotion  
Date 16.3.2010

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

Reply Serial No.

**CEDB(CIT)198**

Question Serial No.

1665

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 :

According to Invest Hong Kong, it has stepped up investment promotion in Taiwan to attract Taiwan companies to set up or expand their operations in Hong Kong. What is the plan? Last year, how many Taiwan companies were attracted to set up or expand their operations in Hong Kong, and what types of companies are they? What is the investment amount involved?

Asked by : Hon. WONG Ting-kwong

Reply :

In the financial year 2009-2010, Invest Hong Kong (InvestHK) has strengthened its marketing programme in Taiwan with the aim of attracting more Taiwan companies to Hong Kong. In addition to maintaining close working relations with the Taiwan business associations and chambers of commerce as well as organising seminars to introduce to Taiwan enterprises the business environment of Hong Kong, we have also conducted the following promotional activities in the Taiwan market -

- (a) appointing a public relations agency to help promote Hong Kong as the leading business location and the services provided by InvestHK through suitable media in Taiwan;
- (b) building up a comprehensive database of Taiwanese companies located in Hong Kong, Mainland and Taiwan to help better identify target companies to assist us in our marketing programme;
- (c) carrying out a direct marketing exercise in Taiwan to reach out to potential companies with an interest in setting up in Hong Kong;
- (d) conducting a perception study amongst companies in Taiwan on Hong Kong's role and position as a preferred business hub to help enhance our marketing activities; and
- (e) placing printed and online advertisements to raise the profile of InvestHK and to promote Hong Kong as a preferred business location.

In 2009, there were six completed projects from Taiwan. These included three from the Tourism and Entertainment sector; two from the Financial Services and one from the Technology sector. According to indications from these companies in our questionnaire survey, the total investment amount is about \$1.1 billion.

Signature	_____
Name in block letters	<u>SIMON GALPIN</u>
Post Title	<u>Director-General of Investment Promotion</u>
Date	<u>16.3.2010</u>



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

Reply Serial No.

**CEDB(CIT)199**

Question Serial No.

1666

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 :

With improvements in the economic and trade relationship across the Taiwan Strait, will the economic co-operation between Hong Kong and Taiwan lessen? Will the Department change its strategies for attracting investments to cope with this situation? If yes, what are the details? If not, what are the reasons?

Asked by : Hon. WONG Ting-kwong

Reply :

The improvements in the economic and trade relationship between the Mainland and Taiwan present opportunities for Hong Kong. In 2009, Invest Hong Kong (InvestHK) has adopted a proactive approach and made intensified promotion efforts in Taiwan to attract more inward investment. In addition to traditional investment promotion (IP) activities through seminars and liaison with Taiwan business and professional associations, InvestHK has stepped up its marketing programme in Taiwan which includes appointing a public relations agency and placing advertisements to promote Hong Kong and InvestHK in Taiwan; conducting a direct marketing exercise; carrying out perception study about Hong Kong's business environment amongst Taiwan companies; and building up a comprehensive database to help reach out to and identify potential companies.

InvestHK has completed six projects from Taiwan in 2009. InvestHK has, thus far, assisted 43 Taiwanese companies to establish a presence or expand their operation in Hong Kong.

To capitalise on the strengthened networking and enhanced profile of InvestHK in Taiwan resulting from the intensified promotion efforts in 2009, we will continue with our IP efforts in Taiwan in 2010 to reach out to a wider spectrum of the Taiwan business community with a view to attracting more inward investment from Taiwan.

Signature \_\_\_\_\_

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

**SIMON GALPIN**

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

Director-General of Investment Promotion

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)200**

Question Serial No.

1674

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 large-scale promotion events will Invest Hong Kong organise in 2010-11? What is the expenditure to be incurred for each event?

Asked by : Hon. WONG Ting-kwong

Reply :

To raise the awareness and profile of Hong Kong in the overseas markets, Invest Hong Kong (InvestHK) will continue to organise events, such as receptions for major foreign communities and sector-focused receptions, and to sponsor or participate in major events that take place in Hong Kong and in major overseas markets, such as Hong Kong Sevens, Asia Hedge Forum, Music Matters and CASBAA Convention, etc. These events provide opportunities for us to network with participants who are potential or existing investors, generate project leads and create awareness of the advantages of investing in Hong Kong and the free services to be provided by InvestHK to prospective investors.

InvestHK has been conducting a series of joint investment promotion seminars in key overseas markets in collaboration with Mainland provinces and cities, since September 2002, to promote the combined advantages offered by Hong Kong and the Mainland, in particular the Greater Pearl River Delta. In 2010-11, InvestHK plans to organise around five joint overseas promotion seminars. Amongst these, we will partner with Fujian in Zurich (April), Shenzhen in Venice (April), and Guangdong in India (October).

As regards the Mainland market, InvestHK will continue to organise a series of promotional activities under the three-year nation-wide marketing promotion campaign, "On Your Marks, Get-set, Go!". The campaign focuses on seven high-growth provinces<sup>1</sup> across the Mainland and aims to provide privately-owned enterprises with the necessary information and support to expand internationally by using Hong Kong as their gateway. It features a series of high-level seminars, focused workshops and incoming study missions supported by advertising and public relations campaigns. In 2010, the marketing campaign will be held in Guangdong and Liaoning province within the first three quarters of 2010.

<sup>1</sup> The seven provinces are Zhejiang, Shandong, Fujian, Jiangsu, Sichuan, Guangdong and Liaoning.

The estimated expenditure for these marketing activities is \$ 8.3 million.

Signature	_____
Name in block letters	<u>SIMON GALPIN</u>
Post Title	<u>Director-General of Investment Promotion</u>
Date	<u>16.3.2010</u>

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

Reply Serial No.

**CEDB(CIT)201**

Question Serial No.

1675

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 :

As regards the investment promotion activities targeting the mainland market in 2010-11, what are the projects to take place? What are the details of the activities and the expenditure involved? How were the results of similar activities previously held? Have goals or results expected to be attained been set for each project?

Asked by : Hon. WONG Ting-kwong

Reply :

In 2010-11, Invest Hong Kong (InvestHK) will continue with its investment promotion efforts to attract Mainland enterprises to set up or expand their operations in Hong Kong through high-level seminars, sector-focused workshops, receiving incoming study missions, conducting investment promotion meetings and advertising and public relations campaigns.

Specifically, InvestHK will continue the nation-wide marketing promotion campaign, "On Your Marks, Get-set, Go!" in Guangdong and Liaoning to provide privately-owned enterprises in these provinces with the information and tools to expand internationally by using Hong Kong as their gateway. It features a series of seminars and workshops supported by advertising and public relations campaigns. In addition, InvestHK will organise thematic seminars in other key cities on the Mainland, for example, a high-level seminar on financial services with Hong Kong Exchanges and Clearing Limited at Shanghai World Expo 2010.

In 2009, InvestHK assisted 48 Mainland enterprises in setting up or expanding their business presence in Hong Kong, accounting for 18% of the total number of enterprises assisted in the year.

Signature \_\_\_\_\_

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

SIMON GALPIN

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

Director-General of Investment Promotion

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)202**

Question Serial No.

1676

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 will Invest Hong Kong (InvestHK) make use of the \$105.8 million provision for 2010-11? In view of the rapid economic development of the Mainland, will any adjustment be made to the promotion strategy? Apart from the traditional markets, will InvestHK step up its promotional efforts in the Mainland? What is the expenditure on the overseas, Mainland, Pearl River Delta and Taiwan markets respectively?

Asked by : Hon. WONG Ting-kwong

Reply :

In 2010-11, Invest Hong Kong (InvestHK) will continue with its on-going investment promotion (IP) efforts in major target markets including the Mainland, US, Western Europe and Japan and enhance its IP efforts in new emerging markets, such as India, Latin America, the Middle East and Russia. InvestHK will also strengthen its aftercare support services and enhance its research capabilities to better support the overseas, Mainland and Taiwan companies already established in Hong Kong and to encourage retention and expansion of investments in Hong Kong.

To tap into the outward investment potential of the Mainland, InvestHK will accord priority to encouraging Mainland enterprises to set up or expand their operations in Hong Kong and to use Hong Kong as a gateway to expand globally. InvestHK will continue to strengthen its promotion efforts in the Mainland to -

- (a) reach out more actively to targeted Mainland companies, intensify efforts to organise IP seminars, focused workshops and incoming study missions;
- (b) conduct advertising and public relations campaigns through the "On Your Marks, Get-set, Go!" nation-wide marketing campaign; and
- (c) promote the combined advantages offered by the economic integration of Hong Kong and the Mainland, in particular the Greater Pearl River Delta region. InvestHK will continue to cooperate with the Mainland provinces and cities to conduct joint seminars in key overseas markets.

The funding requirements for conducting in-market IP activities in overseas, Mainland (including Pearl River Delta region) and Taiwan markets are \$ 17 million, \$4.4 million and \$0.6 million respectively.

Signature	_____
Name in block letters	<u>SIMON GALPIN</u>
Post Title	<u>Director-General of Investment Promotion</u>
Date	<u>16.3.2010</u>







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

Reply Serial No.

**CEDB(CIT)205**

Question Serial No.

2270

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 :

In the Brief Description, it is mentioned that “the Hong Kong Observatory’s Central Forecasting Office and Airport Meteorological Office are responsible for the preparation and issue of weather information, forecasts ... to the public, shipping community and aviation groups”, and in reply to my question on 5 November 2008 about the issue of heat stress index, the Hong Kong Observatory (HKO) advised that it would make reference to the guidelines on international standard on the subject released by the World Meteorological Organization in 2009. In this connection, would the Administration advise: what decision has the HKO taken for introducing the heat stress index? If it has decided to issue such index, when will it be expected to commence; if not; what are the reasons?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The international guidelines on matters relating to the “Heat Stress Index” are yet to be released by the World Meteorological Organization. Currently, the Hong Kong Observatory is collecting the relevant scientific data and conducting studies on the subject. We are also liaising with the Labour Department, the Department of Health and other relevant government departments on matters relating to the dissemination of heat stress information for public reference, including the formulation of guidelines that take into account local circumstances. As and when the scientific studies and consultations have been duly completed, we will roll out the service.

Signature \_\_\_\_\_

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

LEE BOON YING

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

Director of the Hong Kong Observatory

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)206**

Question Serial No.

2271

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 :

In the Brief Description, it is mentioned “launching new weather stations in Wong Tai Sin and Kwun Tong Districts under the ‘One District One Station’”. Given that only temperature data is available in some stations but not other weather information such as air pressure and humidity, leaving the public in these districts without a complete picture of the weather situation, would the Administration advise if it would consider installing additional weather instruments at these stations as well so as to provide the related weather information; if not, what are the reasons?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Hong Kong Observatory has set up over 20 automatic weather stations to monitor the weather conditions all over Hong Kong to provide territory-wide weather forecasts and warnings. These stations also provide weather information specific to some districts, including temperature, wind speed, rainfall, relative humidity and air pressure. To provide better service that meets in particular popular demands for more comprehensive temperature information that is district-based, the Observatory launched the “One District One Station” programme in 2007 to install new weather stations at the remaining districts to measure district temperature. This enables us to provide temperature information for each and every district in Hong Kong.

The Observatory will consider whether to install other weather monitoring instruments in the stations under the “One District One Station” programme in the light of public needs and other relevant considerations.

Signature \_\_\_\_\_

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

LEE BOON YING

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

Director of the Hong Kong Observatory

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)207**

Question Serial No.

2272

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 “carrying out real-time exchange of data with meteorological centres in the world” mentioned in the Brief Description, would the Administration inform this Committee of whether the provision of data by other meteorological centres to Hong Kong Observatory involves additional expenditure? If yes, what were the respective expenditures in the last three years (i.e. 2007-08 to 2009-10)? Does the practice of data exchange involve any mutual agreement (such as restrictions on public dissemination or data use)? If yes, what are the brief contents of such agreement?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

Under the auspices of the World Meteorological Organization, the Hong Kong Observatory has been exchanging real-time data with meteorological centres across the world since the 1950s. As the ultimate objective of the data exchanges is to protect lives and property, the exchanges are done free of charge and without any restriction on the use and dissemination of data. Hence, no mutual agreement is involved. Nor does the practice entail additional expenditure on the part of the Observatory.

Signature \_\_\_\_\_

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

LEE BOON YING

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

Director of the Hong Kong Observatory

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)208**

Question Serial No.

2273

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 in the Brief Description that the Department will “continue to enrich the contents of the Observatory’s website in response to the evolving needs of the public and further develop the delivery of weather services through the Internet”. Would the Administration inform this Committee of the details of the plan to enrich the contents of the website in the coming year (i.e. 2010-11)? Will technical enhancement be considered to further reduce the time lapse from real time in the dissemination of weather data? If not, what are the reasons? How to further develop the delivery of weather services through the internet? What are the expenditure involved and manpower required?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

To meet public aspirations for better weather information, the Hong Kong Observatory will in the coming year continue to enrich the contents of its website and further develop the delivery of weather services through the Internet. The improvements include:

- (a) using the Geographic Information System to provide the latest weather information, through the Internet, surrounding any location in Hong Kong as selected by the public. In addition, the tracks of tropical cyclones will be displayed on maps showing more details at a higher resolution to enable the public to better understand the movement of the cyclones;
- (b) providing more precise weather forecasts with the help of a high-resolution forecast model. For example, there would be weather forecasts for every hour in the coming day, with the forecast data covering more refined geographical areas. Related to this, the Observatory will also issue more weather forecast maps; and
- (c) releasing more weather photos about different regions in Hong Kong to help the public better understand the related weather conditions.

As regards the idea of further reducing the time gap between data collection and dissemination of weather information, since it takes time to collect/process the data and upload the information onto the website, the present technology does not allow us to further compress the time so needed.

The Observatory is making use of its existing resources to enhance the above services. No additional expenditure or manpower is needed.

Signature	_____
Name in block letters	LEE BOON YING
Post Title	Director of the Hong Kong Observatory
Date	16.3.2010

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

Reply Serial No.

**CEDB(CIT)209**

Question Serial No.

2274

Head : 168 Hong Kong Observatory                      Subhead (No. & title) :

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 :

Under Brief Description, it is mentioned that the work of Hong Kong Observatory (HKO) includes “undertaking further research on the projections of future climate change in Hong Kong based on the latest data in respect of the Intergovernmental Panel on Climate Change” (IPCC) and “conducting studies related to climate change in Hong Kong and promoting public understanding”. With regard to the climategate scandal that broke out in November last year and raised doubts about the authority of the United Nation’s IPCC reports, would the Administration please advise this Committee whether the past studies on climate change conducted by HKO were based on IPCC’s reports. Will the Administration re-examine the validity of HKO’s previous long-term forecasts for local climate warming of Hong Kong ?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Intergovernmental Panel on Climate Change (IPCC) was established in 1988 under the auspices of the World Meteorological Organization and the United Nations Environment Programme. Its main task is to carry out regular assessments on climate change.

We take it that “the climategate scandal” refers to the incident whereby the computer systems of a group of scientists who had been involved in the IPCC assessments were illegally accessed by hackers late last year, resulting in the disclosure of some private emails and files. This had triggered questions from some quarters that raised doubts on climate change issues and assessments.

IPCC has already issued statements in response to the incident (including the questions raised about a few areas in the IPCC’s latest assessment report released in 2007), clearly pointing out that this would not affect the key findings in the report. The Observatory’s assessments on long-term climate change in Hong Kong are based on the key findings of this assessment report and the related data. All these data are scientifically based. As such, despite the incident the Observatory does not consider it necessary to revise the projections accompanying the assessments it has already published on the long-term climate change in Hong Kong.

Signature	_____
Name in block letters	LEE BOON YING
Post Title	Director of the Hong Kong Observatory
Date	16.3.2010

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

Reply Serial No.

**CEDB(CIT)210**

Question Serial No.

2275

Head : 168 Hong Kong Observatory                      Subhead (No. & title) :

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 :

On “providing updates on the effects of El Nino and other longer term atmospheric phenomena on Hong Kong” under Brief Description, would the Administration please inform this Committee the forecasts of HKO on emerging El Nino and other relatively longer term atmospheric phenomena are based on what data and information from which agencies. What are the latest updates on El Nino phenomena and its effect on the local weather in medium to long term ? Please specify “other longer term atmospheric phenomena” mentioned above.

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Hong Kong Observatory provides, through its website, information related to El Niño including its latest development and the projected impact on Hong Kong. In collating the information, we have taken into account the actual and forecast meteorological data (including sea surface temperature) of the Pacific Ocean provided by institutions including the following:

- National Oceanic and Atmospheric Administration, USA;
- The International Research Institute for Climate and Society, USA;
- National Climate Center of the China Meteorological Administration;
- The Bureau of Meteorology, Australia; and
- Tokyo Climate Center of the Japan Meteorological Administration.

Based on available information, it is expected that the El Niño which started in the summer of 2009 will last until this spring. According to statistical information, under the influence of El Niño, the rainfall during the winter and spring time of Hong Kong will be higher than normal. The chance of tropical cyclones affecting Hong Kong before June is also likely to be lower in comparison with normal years.

Apart from El Niño, the Observatory also provides information on other long-term climate phenomena including La Niña.



Signature

Name in block letters

Post Title

Date

\_\_\_\_\_  
LEE BOON YING

\_\_\_\_\_  
Director of the Hong Kong Observatory

\_\_\_\_\_  
16.3.2010

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

Reply Serial No.

**CEDB(CIT)211**

Question Serial No.

2663

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 weather stations the Observatory set up across the territory, could the Administration give a picture as to the non-availability of weather data owing to a breakdown at the weather stations necessitating repair or replacement of parts (the total number of hours from malfunctioning to complete return to normal)? In particular, what means are available to the Administration to prevent equipment breakdown and damage during bad weather?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

For the purpose of providing weather services, the Hong Kong Observatory has set up weather stations all over Hong Kong, including those under the "One District One Station" programme and others, to collect weather data.

Equipment at the weather stations may break down occasionally, and repair or replacement of parts may be necessary. To minimize any interruption to data collection arising from such circumstances, the Observatory adopts the following measures :

- (i) some stations play a more important role in the overall meteorological measurement and analysis. For these stations, the Observatory has installed back-up equipment to ensure uninterrupted data collection;
- (ii) the Observatory's maintenance teams carry out preventive checking at various stations on a regular basis to reduce the chance of equipment breakdown; and
- (iii) during adverse weather conditions, the maintenance teams will be on stand-by round-the-clock for any urgent repair work. They will also be stationed at certain critical stations (e.g. the Tai Mo Shan weather station) to ensure that the service would not be affected by equipment breakdown.

With the above measures, the Observatory was able to maintain an overall data collection rate of nearly 100% in 2009.

Signature	_____
Name in block letters	LEE BOON YING
Post Title	Director of the Hong Kong Observatory
Date	16.3.2010

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

Reply Serial No.

**CEDB(CIT)212**

Question Serial No.

2664

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 was mentioned in Brief Description that the Observatory analyses meteorological data and computes the future weather by numerical modeling. Besides, the Observatory installed a High Performance Computing System and implemented a suite of high resolution mesoscale models for weather prediction. Has the Administration assessed whether numerical modelling computation by the High Performance Computing System has enhanced the accuracy of weather prediction? How were the computational results as compared to the actual weather conditions.

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Hong Kong Observatory has completed the installation of the High Performance Computing System and is testing the operation of the associated high-resolution numerical model. The System is expected to be functional before the rainy season in 2010 to provide more timely and detailed weather forecast. As regards the improvement that the system may bring about in terms of accuracy in weather forecast, the Observatory will make an analysis and assessment after it has collated the relevant data for a period of time.

Signature \_\_\_\_\_

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

LEE BOON YING

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

Director of the Hong Kong Observatory

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)213**

Question Serial No.

2665

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 was mentioned in Brief Description that “the Observatory successfully obtained a certificate of patent for its original and innovative design of the heat stress monitoring system which was developed in-house to support the 2008 Olympic Equestrian Events in Hong Kong. Assistance was rendered to the Guangdong meteorological authority to set up similar systems for the equestrian events of the 2010 Asian Games”. Please advise on the expenditure and manpower involved in assisting the Guangdong meteorological authority to set up the heat stress monitoring system. Will any charges, including patent fees, be imposed on the Guangdong authority?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

Over the years, the Hong Kong Observatory has forged extensive collaboration with the China Meteorological Administration (including the Guangdong Meteorological Bureau (GMB) under its purview) on matters related to meteorological science and technology, for the mutually beneficial purpose of enhancing the quality of weather services. Under this cooperative framework, the Observatory has shared with GMB the technology of the heat stress monitoring system used in the 2008 Olympic Equestrian Events in Hong Kong. The purpose is to help GMB prepare its service for the equestrian events in the 2010 Asian Games. This does not involve any additional expenditure or staff resources on the part of the Observatory. The question of imposing a charge on the Guangdong authority does not arise.

Signature \_\_\_\_\_

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

LEE BOON YING

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

Director of the Hong Kong Observatory

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)214**

Question Serial No.

2666

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 carrying out real-time exchange of data with meteorological centres in the world, please advise if there have been any exchange and cooperation between Hong Kong Observatory (HKO) and meteorological centres in Guangdong and other regions in southern China as well as the Central Weather Bureau of Taiwan for the past three years (i.e. 2007-08 to 2009-10). If yes, please set out the details, and advise whether such activities have enabled HKO to exchange experience and more meteorological data that are useful and appropriate.

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

Each year, the Hong Kong Observatory holds a cooperation meeting cum technical seminar with the Guangdong Meteorological Bureau and the Macao Meteorological and Geophysical Bureau. This facilitates exchanges on operational matters and scientific research. The three authorities also carry out exchanges on issues such as climate change projections and sharing of meteorological information. Over 30 such exchange visits/meetings in the past three years. These have provided useful opportunities for Observatory colleagues to share experience and discuss the exchange of meteorological data with their counterparts.

As regards Taiwan, the Observatory did not engage in any exchange or cooperation activities with its meteorological authority over the past three years, but did send staff for technical exchanges with the academic institutions there.

Signature \_\_\_\_\_

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

LEE BOON YING

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

Director of the Hong Kong Observatory

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)215**

Question Serial No.

2589

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 taking forward the project to replace and upgrade the meteorological facilities for the airport, please provide the details, schedule and expenditure of the project.

Asked by : Hon. IP Wai-ming

Reply :

The project consists of two parts: (1) replacement of the Terminal Doppler Weather Radar (TDWR); and (2) replacement and/or upgrading of other meteorological and infrastructural facilities. Having the necessary funding approved by the Legislative Council (LegCo) in February 2009, the Hong Kong Observatory started the preparatory work in 2009-2010. In the coming financial year, the Observatory will continue to liaise with relevant departments and its aviation clients to formulate detailed technical requirements for the preparation of tender documents. It will also proceed with the procurement, installation and acceptance testing of the equipment and facilities concerned. As regards replacement of the TDWR, the Observatory is seeking a new site for building the radar station, and will apply for the necessary funding from LegCo under the public works programme in due course.

Based on the present progress, the Observatory expects that the replacement / upgrading work would be completed in phases between 2012 and 2015.

The total non-recurrent expenditure for the replacement and upgrading of the facilities is \$154 million. Upon completion of the project, the total recurrent expenditure will be about \$15.07 million a year.

Signature \_\_\_\_\_

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

LEE BOON YING

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

Director of the Hong Kong Observatory

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)216**

Question Serial No.

2212

Head : 168 Hong Kong Observatory      Subhead (No. & title) : 000 Operational expenses

Programme :

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide the following information on the procurement of services of employment agencies (EAs):

- (a) the number of contracts signed with EAs;
- (b) the contract sum and term of service for each EA;
- (c) the number of workers supplied by each EA and their duties;
- (d) details of the pay of workers' supplied by each EA, including the range of monthly salaries and that of daily or hourly wages;
- (e) with regard to the above items, please provide the respective numbers and percentage changes for each of the following years:

	2010-11	2009-10	2008-09	2007-08
Number of EAs	( )	( )	( )	( )
Total contract sums for each EA	( )	( )	( )	( )
Average term of service for EAs	( )	( )	( )	( )
Total number of workers supplied by each EA	( )	( )	( )	( )
Pay of workers (highest, median and lowest) supplied by EAs	Highest ( )	Highest ( )	Highest ( )	Highest ( )
	Median ( )	Median ( )	Median ( )	Median ( )
	Lowest ( )	Lowest ( )	Lowest ( )	Lowest ( )

*Figures in ( ) denote percentage changes*

- (f) the proportion of workers supplied by EAs in the existing staff in the department; and
- (g) the proportion of expenditure on procuring the services of EAs in departmental expenditure.

Asked by : Hon. WONG Kwok-hing



Reply :

At present, the Hong Kong Observatory is not procuring any service from employment agencies (EAs). Items (a), (b), (c), (d), (f) and (g) are therefore not applicable. As regards item (e), relevant information in respect of the Observatory is as follows :

	2010-11	2009-10	2008-09	2007-08
Number of EAs <sup>(Note 1)</sup>	The Observatory has no plan to procure services from EAs.	0 (-100%)	1 (-) <sup>(Note 2)</sup>	1 (-50%) <sup>(Note 2)</sup>
Total contract sums for each EA <sup>(Note 3)</sup>		\$457,000 (-40%)	\$764,000 (-6%)	\$817,000 (-60%)
Average term of service for EAs <sup>(Note 3)</sup>		7 months (-42%)	12 months (+41%)	8.5 months (+21%)
Total number of workers supplied by each EA <sup>(Note 3)</sup>		1 (-)	1 (-)	1 (-50%)
Pay of workers (highest, median and lowest) supplied by EAs		The contracts that departments have entered into with EAs only specify the fee charged by the latter in providing the service, but not the wages of agency workers engaged by EAs. Hence, the requisite information cannot be provided.		

*Figures in ( ) denote percentage changes*

Note 1: The number of EAs represents the position as at the close of the financial year (i.e. on 31 March).

Note 2: The EAs concerned are technical service providers engaged under a term contract centrally administered by the Office of the Government Chief Information Officer, i.e. T-contract agencies.

Note 3: The figures in Rows 2 to 4 in this table cover all agency workers who may be engaged at any time during the relevant financial year.

Signature \_\_\_\_\_  
Name in block letters LEE BOON YING  
Post Title Director of the Hong Kong Observatory  
Date 16.3.2010

Examination of Estimates of Expenditure 2010-11

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

Reply Serial No.

**CEDB(CIT)217**

Question Serial No.

2213

Head : 168 Hong Kong Observatory      Subhead (No. & title) : 000 Operational expenses

Programme :

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please list in the table below information on the employment of temporary staff to provide services :

	2010-11	2009-10	2008-09	2007-08
Total number of temporary staff	( )	( )	( )	( )
Total expenditure on salaries of temporary staff employed	( )	( )	( )	( )
Percentage of temporary staff employed in the total number of staff in the department	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by : Hon. WONG Kwok-hing

Reply :

The Hong Kong Observatory did not employ any temporary staff to provide services in the past three years, and has no plan to do so in 2010-11.

Signature \_\_\_\_\_

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

LEE BOON YING

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

Director of the Hong Kong Observatory

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)218**

Question Serial No.

2214

Head : 168 Hong Kong Observatory      Subhead (No. & title) : 000 Operational expenses

Programme :

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide the following information on the employment of non-civil service contract (NCSC) staff to provide services:

	2010-11	2009-10	2008-09	2007-08
Number of NCSC staff	( )	( )	( )	( )
Total expenditure on the salaries of NCSC staff	( )	( )	( )	( )
Average length of employment of NCSC staff in years	( )	( )	( )	( )
Number of NCSC staff converted to civil servants on permanent terms	( )	( )	( )	( )
Number of NCSC staff who had chances for conversion but failed to do so	( )	( )	( )	( )
Percentage of NCSC staff out of the total number of staff in the department	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by : Hon. WONG Kwok-hing

Reply :

As regards NCSC staff employed by the Hong Kong Observatory to provide services, the required information is given below:

	2010-11 (Note)	2009-10	2008-09	2007-08
Number of NCSC staff		22 (+10%)	20 (-5%)	21 ( - )
Total expenditure on the salaries of NCSC staff		\$7,300,000 (+24%)	\$5,900,000 (-2%)	\$6,000,000 (+13%)
Average length of employment of NCSC staff in years		2 years 5 months (+26%)	1 year 11 months (+35%)	1 year 5 months (+6%)
Number of NCSC staff converted to civil servants on permanent terms		0		
Number of NCSC staff who had chances for conversion but failed to do so		0		
Percentage of NCSC staff out of the total number of staff in the department		7.0% (+0.4%)	6.6% (-0.6%)	7.2% (+0.2%)

*Figures in ( ) denote year-on-year changes*

Note: The figures for 2010-11 cannot be provided as the employment of NCSC staff will vary from time to time having regard to the service needs and operational requirements.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ LEE BOON YING \_\_\_\_\_

Post Title \_\_\_\_\_ Director of the Hong Kong Observatory \_\_\_\_\_

Date \_\_\_\_\_ 16.3.2010 \_\_\_\_\_

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

Reply Serial No.

**CEDB(CIT)219**

Question Serial No.

2215

Head : 168 Hong Kong Observatory      Subhead (No. & title) : 000 Operational expenses

Programme :

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide information on outsourced services (including property management, security, cleansing, telecommunications and information technology, statistics, etc., but excluding construction works) in the format set out below :

	2010-11	2009-10	2008-09	2007-08
Total number of outsourced service contracts	( )	( )	( )	( )
Total value of outsourced service contracts	( )	( )	( )	( )
Total number of workers employed under outsourced service contracts	( )	( )	( )	( )
Number of workers employed under outsourced service contracts who have been/will be replaced by permanent staff employed by the Government	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by : Hon. WONG Kwok-hing

Reply :

As regards outsourced services in respect of the Hong Kong Observatory, the required information is provided below :

	2010-11 (Estimate)	2009-10	2008-09	2007-08
Total number of outsourced service contracts	4 ( - )	4 ( - )	4 ( - )	4 (+33%)
Total value of outsourced service contracts	\$5,292,000 (-0.1%)	\$5,299,000 (+13%)	\$4,671,000 (+7%)	\$4,359,000 (+69%)
Total number of workers employed under outsourced service contracts	20 ( - )	20 (+5%)	19 ( - )	19 (+36%)
Number of workers employed under outsourced service contracts who have been/will be replaced by permanent staff employed by the Government	0 ( - )	0 ( - )	0 ( - )	0 ( - )

*Figures in ( ) denote year-on-year changes*

Signature \_\_\_\_\_

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

LEE BOON YING

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

Director of the Hong Kong Observatory

Date \_\_\_\_\_

16.3.2010

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

Reply Serial No.

**CEDB(CIT)220**

Question Serial No.

2866

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:

The Government launched the \$100 billion Special Loan Guarantee Scheme (SpGS) in December 2008, with an aim to help Hong Kong companies with good track record and reasonable business prospects in obtaining financing. According to the statistics maintained by the Trade and Industry Department (TID), as of 26 February 2010, a total of 28 533 loan applications have been approved, involving a total loan amount of \$69.1 billion. Would the Administration please inform this committee:

- (a) What is the latest figure for default cases under the SpGS? What is the amount of claims involved?
- (b) How would TID follow up the default cases? Has an abuse-prevention mechanism been established? How would such mechanism be implemented?
- (c) Will the Government extend the application period for the SpGS again? If yes, for how long? If no, how much of the expenditure has been reserved and by what means will the Government support the small and medium enterprises (SMEs)?

Asked by: Hon. CHAN Mo-po, Paul

Reply:

- (a) As at the end of February 2010, TID has received 55 default claims under the SpGS, involving a total claim amount of \$59 million.
- (b) Upon receipt of a default claim from a participating lending institution (PLI), TID will carefully examine whether the PLI has complied with all the requirements in approving and monitoring the use of the loan, such as whether the PLI has followed its professional and prudent principles in approving the loan, whether the use of the loan complies with the requirements under SpGS. We have introduced a number of safeguard measures under SpGS to prevent abuse, including: (i) personal guarantee is required of the enterprise owner or, in the case of a limited company, shareholders together holding more than 50% of the equity interest of the enterprise; (ii) the enterprise must have been in operation for at least one year on the date of implementation of the SpGS; (iii) the enterprise must have no outstanding default in any other lending institution; and (iv) the loans should not be used for repaying, restructuring or repackaging other loans.

- (c) SpGS is an exceptional measure which aims to assist Hong Kong enterprises in coping with the global financial crisis. It is a time-limited scheme. The application period has been extended twice till the end of June this year. We will closely monitor the pace of economic recovery in the coming months and decide when to let the credit market resume normal operation.

Signature \_\_\_\_\_

Name in block letters Ms Maria S N. KWAN

Post Title Director-General of Trade and Industry

Date 16 March 2010



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

Reply Serial No.

**CEDB(CIT)221**

Question Serial No.

2423

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:

Please provide details of the consultations on policy making and assessment under all programmes in the following format. Using the table below, please provide information on the consultations for which funds had been allocated in 2009-10:

Name/subject of consultation	Revised estimate (\$)	Progress of consultation (under planning/ in progress/ completed)	Mode of consultation (e.g. by means of written submissions, consultation sessions, focus groups), number of consultation exercises, name of organisations and number of people consulted/to be consulted	The Administration's follow-up actions on the consultation results and the progress made (if applicable)	For consultations already completed, were the results publicised? If so, what were the channels? If not, why not?

Asked by: Hon. EU Yuet-mee, Audrey

Reply:

The Trade and Industry Department did not conduct any consultation on policy making and assessment in 2009-10.

Signature \_\_\_\_\_

Name in block letters Ms Maria S. N. KWAN

Post Title Director-General of Trade and Industry

Date 16 March 2010

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

Reply Serial No.

**CEDB(CIT)222**

Question Serial No.

2424

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:

Please provide details of the consultations on policy making and assessment under all programmes in the following format. Have resources been earmarked for holding consultations in 2010-11? If so, please provide the following details.

Name/subject of consultation	Expenditure (\$)	Progress of consultation (under planning/ in progress/ completed)	Mode of consultation (e.g. by means of written submissions, consultation sessions, focus groups), number of consultation exercises, name of organisations and number of people consulted/to be consulted	For consultations scheduled for completion in the financial year 2010-11, will the results be publicised? If not, what are the reasons?

Asked by: Hon. EU Yuet-mee, Audrey

Reply:

The Trade and Industry Department has no plan to conduct consultation on policy making and assessment in 2010-11.

Signature \_\_\_\_\_

Name in block letters Ms Maria S. N. KWAN

Post Title Director-General of Trade and Industry

Date 16 March 2010

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

Reply Serial No.

**CEDB(CIT)223**

Question Serial No.

1102

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:

- (a) What are the latest figures for the amount of guarantee and applications approved under the Special Loan Guarantee Scheme (SpGS) launched to counter the financial tsunami? Could details be provided on applications submitted since the beginning of 2010, the corresponding application amount and business details of the applicants? According to the Government's estimate ending 30 June 2010, a total of \$76.9 billion loan guarantee will be granted, a far cry from the \$100 billion approved by the Legislative Council. Basing on the current response, is there a need for the government to assess the demand on the Scheme and consider extending it?
- (b) The actual figures for application and approval under the SME Loan Guarantee Scheme (SGS) in 2009 and 2010 are lower than those of 2008, what are the main reasons? If the SpGS is not extended and ends at the end of June 2010 as scheduled, what will be the demand on the SGS? Is it necessary to further extend the coverage of the Scheme and increase the ceiling for the Government's guarantee commitment?

Asked by: Hon. FANG Kang, Vincent

Reply:

- (a) The SpGS has come into operation since 15 December 2008. As at the end of February 2010, the Trade and Industry Department has approved 28 533 applications, involving a total guarantee amount of \$53.3 billion and loan amount of over \$69 billion. Among those applications, 2 919 were approved in January and February 2010 involving a total guarantee amount of \$5.7 billion. The applying enterprises cover all major industries in Hong Kong.

The Government has pledged a total guarantee commitment of \$100 billion under the SpGS to ensure that the scheme has sufficient resources for operation. It also demonstrates the Government's determination in supporting enterprises to tide over the financial crisis. The SpGS is market-driven. The actual number of applications and loan amount will depend on market demand. The total guarantee commitment is not meant to be a target. SpGS is an exceptional measure which aims to assist Hong Kong enterprises in coping with the global financial crisis. It is a time-limited scheme. The application period has been extended twice till the end of June this year. We will closely monitor the pace of economic recovery in the coming months and decide when to let the credit market resume normal operation.

- (b) The actual and estimated number of applications under SGS in 2009 and 2010 are both lower than that in 2008, mainly because most applicants have chosen to apply for SpGS after the latter was launched in December 2008. We expect the number of applications under SGS will increase after the application period of SpGS ends.

The existing SGS is open to all types of SMEs in different industries. In June 2009, TID significantly increased SGS' total guarantee commitment from \$12.6 billion to \$20 billion. As at the end of February 2010, the remaining guarantee commitment that may be granted is \$6.5 billion, which should be sufficient to cater for the applications in 2010-11.

Signature \_\_\_\_\_

Name in block letters Ms Maria S. N. KWAN

Post Title Director-General of Trade and Industry

Date 15 March 2010

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

Reply Serial No.

**CEDB(CIT)224**

Question Serial No.

2586

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:

The 2010-11 estimate under "Support for Small and Medium Enterprises and Industries" is 111.7% higher than the original estimate or 49.5% higher than the revised estimate for 2009-10.

This is mainly due to the full-year salary provision for filling vacant posts, hosting of the 30th APEC SME Working Group Meeting and its related activities in 2010, and increase in cash flow requirements for SME funding schemes. Please provide a breakdown on each item.

Asked by: Hon. IP Wai-ming

Reply:

The allocation of provisions for Programme (3) under the Estimates of Expenditure 2010-11 is as follows :

	2010-11 (Estimate) (\$million)	2009-10 (Revised Estimate) (\$million)	Increase in 2010-11 (Estimate) over 2009-10 (Revised Estimate) (\$million)
Recurrent expenditure (including salaries, general departmental expenses, etc.)	63.7	60.6	3.1
Hosting of the 30th APEC SME Working Group Meeting and its related activities	2.3	0.3	2
Cash flow requirements for SME funding schemes	717.3	463.2	254.1
Total	783.3	524.1	259.2

Signature	_____
Name in block letters	Ms Maria S. N. KWAN
Post Title	Director-General of Trade and Industry
Date	16 March 2010

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

Reply Serial No.

**CEDB(CIT)225**

Question Serial No.

2587

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:

Regarding Support for Small and Medium Enterprises and Industries, please provide the following information:

- (a) In 2009-2010, what are the utilisation rate and expenditures involved with respect to SME funding schemes and the Special Loan Guarantee Scheme?
- (b) What are the performance indicators for the schemes?
- (c) How much extra resources are needed for the continued implementation of the schemes in 2010-11?

Asked by: Hon. IP Wai-ming

Reply:

- (a) The SME funding schemes, which include the SME Loan Guarantee Scheme, the SME Export Marketing Fund and the SME Development Fund, were introduced in 2001. As at end of February 2010, the total amount of loan guarantee and grants approved under the SME funding schemes amount to \$13.5 billion and \$1.9 billion respectively, representing about 70% of the approved commitment or provision of the relevant schemes. The Special Loan Guarantee Scheme (SpGS) was launched in December 2008. As at end of February 2010, the total amount of loan guarantee approved was \$53.3 billion, representing 53% of the approved commitment, involving a total loan amount of over \$69 billion. In 2009-10, the revised estimates for the SME funding schemes and SpGS are \$461 million and \$2.24 million respectively, which are used for the payment of grants and settlement of default claims submitted by the participating lending institutions after the claims have been vetted by the Trade and Industry Department.

- (b) The performance indicators for the schemes include the number of applications, the amount of grants or loan guarantee approved, and the number of beneficiaries.
- (c) In 2010-11, the estimated expenditure for the SME funding schemes and SpGS is \$717.3 million, representing a 55% increase compared to the revised estimate in 2009-10.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ Ms Maria S. N. KWAN

Post Title \_\_\_\_\_ Director-General of Trade and Industry

Date \_\_\_\_\_ 16 March 2010



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

Reply Serial No.

**CEDB(CIT)226**

Question Serial No.

0399

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 Trade and Industry Department fully met its targets (100%) with regard to application for factory registration and amendment to factory registration particulars, i.e. (completed processing within 14 working days). Will the Administration please inform this Committee:

- (a) whether the processing time can be further shortened to increase efficiency? If yes, what is the extra expenditure so involved?
- (b) what measures can be used to shorten the procedures and time involved in applications for licences and notifications so as to remove the obstacles for the industries?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

- (a) We require 14 working days to process applications for factory registration (FR) and amendment to FR particulars, as vetting of applications by the Trade and Industry Department (TID) and factory inspections by the Customs and Excise Department have to be conducted to verify the information declared in the applications before approval is given. As the FR system is an important element of the origin control system, it is necessary to ensure that all the information declared in the application is accurate and that all the registration requirements are met, and at times more than one factory inspection is required prior to approval. For amendment to FR particulars not requiring factory inspection, we normally require only 1 to 3 working days to process the application depending on whether it is lodged in electronic or paper form.
- (b) TID regularly reviews procedures for processing applications for licences and notifications with a view to improving the level of services. Where possible, the Department introduces electronic services to shorten the processing time.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ Ms Maria S.N. KWAN

Post Title \_\_\_\_\_ Director-General of Trade and Industry

Date \_\_\_\_\_ 15.3.2010

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

Reply Serial No.

**CEDB(CIT)227**

Question Serial No.

0400

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 Trade and Industry Department mentioned that, in 2010-11, it will strengthen liaison with the Mainland authorities and the local trade on various issues of interest with significant impact on the local trade, particularly small and medium enterprises (SMEs). In that,

- (a) issues of interest with significant impact so mentioned include what?
- (b) have liaisons been made with the Mainland authorities on its processing trade policies, taxation, Labour Contract Law and export tax rebates? What is the progress of the work?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

- (a) The Commerce and Economic Development Bureau and Trade and Industry Department keep in view the Mainland's policies and measures which may affect the operation of Hong Kong enterprises in the Mainland, including those on processing trade, taxation matters, import and export administration, development of the Mainland domestic market, labour-related issues, environmental laws, etc.
- (b) We maintain close dialogue with the trade through the "Task Force to Support the Processing Trade" and other channels to understand their concerns and views on processing trade and related issues. We also maintain close liaison with the Mainland authorities at various levels through the "Hong Kong / Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade" and other channels to reflect the trade's views and suggestions. The Mainland and Guangdong authorities have responded to such views and suggestions positively. In particular, they have implemented a series of supportive measures since the financial tsunami in the year of 2008, including raising the export tax rebate rates for a number of times, suspending the actual payment of standing book deposit for processing trade enterprises, waiving administrative fees and charges, implementing "restructuring without stopping production" and "consolidated tax return for multiple domestic sales". These measures have helped relieve the cashflow pressure on Hong Kong enterprises. Since there is still uncertainty over the economic situation, the Commerce and Economic

Development Bureau has conveyed to the Mainland authorities the trade's wish for the continued implementation of the supportive measures launched by the Mainland in the years of 2008 and 2009.

Signature \_\_\_\_\_

Name in block letters Ms Maria S. N. KWAN

Post Title Director-General of Trade and Industry

Date 16 March 2010

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

Reply Serial No.

**CEDB(CIT)228**

Question Serial No.

0401

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:

The Trade and Industry Department estimates that the targets in processing applications for the SME Loan Guarantee Scheme (SGS), the Special Loan Guarantee Scheme (SpGS), the SME Development Fund (SDF) and the SME Export Marketing Fund (EMF) can be 100% met in 2010. Will the Administration please inform this Committee:

- (a) can the processing time be further shortened to facilitate SMEs to obtain loans/grants earlier? If yes, what is the extra expenditure so involved?
- (b) whether the applications under different schemes will be increased in 2010-11? Please provide figures.

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

- (a) The Trade and Industry Department (TID) regularly reviews its performance pledge. The current pledges for the four funding schemes are considered appropriate taking into account all relevant factors, such as projected caseload and complexity of applications received. For SGS and SpGS, our performance pledge is to complete processing the applications within 3 working days upon receipt of all necessary documents.
- (b) The number of applications under the funding schemes in 2009 and 2010 are provided below:

	2009 (Actual)	2010 (Estimate)
SGS	1 283	1 410
SpGS	25 544	9 680*
SDF	69	69
EMF	31 052	31 000

\* Estimated number of applications up to end June 2010.

Signature	_____
Name in block letters	Ms Maria S. N. KWAN
Post Title	Director-General of Trade and Industry
Date	15 March 2010

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

Reply Serial No.

**CEDB(CIT)229**

Question Serial No.

2264

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:

The Trade and Industry Department plans to continue to support the development and promotion of Hong Kong brands in 2010-11. What are the specific work and the breakdown of expenditures involved? How does it compare with the past three years (i.e. 2007-08 to 2009-10)?

Asked by: Hon. LAM Tai-fai

Reply:

To cater for the needs of the trade, the Trade and Industry Department (TID) will continue to work closely with the trade in 2010-11 to formulate appropriate measures (such as organizing seminars and workshops) to facilitate the development and promotion of Hong Kong brands in the Mainland and overseas markets. The estimated expenditure is \$500,000, similar to that in 2009-10. As TID has taken up the work relating to the development and promotion of Hong Kong brands since the latter half of 2008, the relevant expenditure was only captured from 2009-10 onwards.

In 2009-10, TID provided grants of more than \$3.4 million under the SME Development Fund to support a number of projects relating to the development and promotion of Hong Kong brands (for example, setting up showrooms in large-scale exhibitions to showcase Hong Kong's branded products). In 2010-11, we will consider supporting the trade in organising promotion activities for Hong Kong brands as appropriate.

Signature \_\_\_\_\_

Name in block letters Ms Maria S. N. KWAN

Post Title Director-General of Trade and Industry

Date 16 March 2010

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

Reply Serial No.

**CEDB(CIT)230**

Question Serial No.

2265

Head : 181 Trade and Industry  
Department

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

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 the revised estimated expenditure for 2009-2010, the general non-recurrent expenditure for the Special Loan Guarantee Scheme (SpGS) amounts to \$2.24 million. What are the purposes of this expenditure?

Asked by: Hon. LAM Tai-fai

Reply:

The revised estimated expenditure for SpGS in 2009-2010 is \$2.24 million. It is for the settlement of default claims submitted by the participating lending institutions after the claims have been vetted by the Trade and Industry Department.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ Ms Maria S. N. KWAN

Post Title \_\_\_\_\_ Director-General of Trade and Industry

Date \_\_\_\_\_ 16 March 2010

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

Reply Serial No.

**CEDB(CIT)231**

Question Serial No.

2791

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:

In 2010-11, the Trade and Industry Department will continue to keep the strategic trade control system under review with a view to further streamlining procedures and requirements. Please inform this Committee the existing work progress, the work targets set under the review and the expenditure involved for this financial year (2010-11).

Asked by: Hon. LAU Kin-ye, Miriam

Reply:

The Trade and Industry Department implements import and export licensing control on strategic commodities in accordance with the Import and Export Ordinance and the Import and Export (Strategic Commodities) Regulations, and reviews the operation from time to time.

In 2010-11, we will maintain close liaison with the trade, and continue to keep the strategic trade control system under review to further streamline rules and procedures, on the basis that the integrity and effectiveness of control will not be compromised. Major work is as follows –

- (1) to expedite the amendment of the list of controlled strategic commodities in accordance with the latest requirements of the international control regimes with a view to relaxing the control on import and export of the items concerned where appropriate;
- (2) to continue to explore the possibility of enhancing the “Approval-in-Principle Arrangement for Bulk Users of Strategic Commodities Licensing Service” by further streamlining the rules and procedures to facilitate the users; and
- (3) to continue to explore the possibility of simplifying the licensing requirements for transshipment of strategic commodities through Hong Kong with a view to facilitating the trading and logistics sectors.

The review is conducted with existing manpower resources, and no extra expenditure will be incurred.

Signature \_\_\_\_\_

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

Ms Maria S. N. KWAN

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

Director-General of Trade and Industry

Date \_\_\_\_\_

15 March 2010

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

Reply Serial No.

**CEDB(CIT)232**

Question Serial No.

0554

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:

The target of 100% meeting the pledge of processing applications for SME Export Marketing Fund within 30 working days could not be met in 2008 and 2009. In 2009, only 84.3% could be processed within 30 days due to a significant increase in the number of applications received. The \$783.3 million estimate of 2010-11 is much more than 2009-10, how much are the extra resources for enhancing the operation of the Fund?

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

The estimated expenditure for Support for Small and Medium Enterprises and Industries is \$783.3 million in 2010-11, among which \$460.8 million is earmarked for the SME Export Marketing Fund, representing an increase of \$49.8 million (12.1%) compared to the revised estimated expenditure in 2009-10.

In addition, we have hired 13 additional Non-Civil Service Contract staff in 2009-10 to cope with the upsurge in applications under the SME Export Marketing Fund. The expenditure for these additional staff in 2010-11 will be around \$2.7 million. We hope to expedite the processing of applications with strengthened manpower support.

Signature \_\_\_\_\_

Name in block  
letters                      Ms Maria S. N. KWAN  
\_\_\_\_\_

Post Title   Director-General of Trade and Industry

Date                      15 March 2010  
\_\_\_\_\_



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

Reply Serial No.

**CEDB(CIT)233**

Question Serial No.

3008

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:

According to "Economic Performance in 2009", the annual growth rate in real terms of domestic exports has continued to fall over the years. In 2009, there is even a drastic decrease of 35%. What measures will the Government take to improve the situation? What are the expenditure and establishment involved?

Asked by: Hon. LEUNG Mei-fun, Priscilla

Reply:

The decline in "domestic exports" reflects the service-oriented nature of the local economy. In 2009, "domestic exports" accounted for 2.3% of the "total exports of goods" of Hong Kong. The former fell by 34.6% in real terms, whilst the latter dropped by 12%. During the period, merchandise exports have been severely affected in the aftermath of global financial tsunami. The double-digit fall in Hong Kong merchandise exports in 2009 was a common phenomenon in the region; many Asian economies recorded even larger declines. As economy regained strength, the quarterly accounts of "total exports of goods" had recovered progressively.

The Government is very concerned about the impact of the financial crisis on Hong Kong enterprises, and has introduced a series of measures to support and facilitate the trade. Those measures relating to the Trade and Industry Department (TID) include:

- (1) A Special Loan Guarantee Scheme (SpGS), with a total loan guarantee commitment of \$100 billion, was launched in December 2008. Response from the trade has been positive. As at the end of February, TID has approved 28 533 applications, involving a total loan amount of over \$69 billion. Apart from effectively alleviating the pressure on enterprises in terms of finance and liquidity, SpGS also helps to stabilize employment. SpGS is an exceptional measure which aims to assist Hong Kong enterprises in coping with the global financial crisis. It is a time-limited scheme. The application period has been extended twice till the end of June this year. We will closely monitor the pace of economic recovery in the coming months and decide when to let the credit market resume normal operation.
- (2) At the same time, TID also helps to improve the competitiveness of SMEs and helps them develop export markets through other SME funding schemes, namely the "SME Loan Guarantee Scheme" (SGS), the "SME Export Marketing Fund" (EMF) and the "SME Development Fund". Since November 2008, TID has introduced a series of

enhancement measures to increase the total loan guarantee commitment of SGS and provide more flexibility in the use of loan. In addition, TID has expanded the scope of EMF and increased the amount of grant in order to help SMEs expand their customer base and explore new markets.

In 2010-11, the estimated expenditure on support for SMEs and industries is \$783.3 million, representing a significant increase of 50% compared to the revised estimate in 2009-10. Total number of employees involved is around 180.

Apart from TID, other departments and related organizations also introduced measures to help local exporters develop overseas markets. The Hong Kong Trade Development Council (HKTDC) will continue to freeze the basic charges and fees of various activities and services this year to benefit the major users (SMEs) of its services. Besides, HKTDC will provide economy exhibition stands (which will be smaller and cheaper) to cater for the needs of different SMEs. HKTDC will also continue to implement the "Trade Buyers' Incentive Scheme" to bring more buyers to Hong Kong trade fairs.

To assist exporters to tide over the financial crisis, the Hong Kong Export Credit Insurance Corporation has implemented a series of support measures since 2008 which would facilitate the exporters in applying for export credit insurance from the Corporation.

Signature \_\_\_\_\_

Name in block letters Ms Maria S. N. KWAN

Post Title Director-General of Trade and Industry

Date 16 March 2010

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

Reply Serial No.

**CEDB(CIT)234**

Question Serial No.

2843

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:

The estimated default rates provided in the footnote to Item 802 Special Loan Guarantee Scheme (10% and 12% for loans approved under 70% and 80% Government guarantee respectively, resulting in an expected maximum expenditure for settlement of default claims of \$11.8 billion) are the same as those provided in the papers to the Finance Committee in December 2008 and June 2009. In light of experience to date and the current economic outlook, does the Government have an updated view of the likely default rates?

Asked by: Hon. LI Kwok-po, David

Reply:

The Special Loan Guarantee Scheme was launched on 15 December 2008. As at end February 2010, the Trade and Industry Department has received 55 default claims from the participating lending institutions, involving a total claim amount of about \$59 million. The default rate so far is about 0.1%. However, it is too early to say what the eventual default rate would be at this stage as most of the borrowers have just drawn down their loans for a short period of time. We expect the number of default cases will rise.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ Ms Maria S. N. KWAN

Post Title \_\_\_\_\_ Director-General of Trade and Industry

Date \_\_\_\_\_ 16.3.2010

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

Reply Serial No.

**CEDB(CIT)235**

Question Serial No.

2178

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:

Please provide the following information on the procurement of agency services:

- (a) the number of contracts signed with the agency services;
- (b) the contract sum and term of service for each agency;
- (c) the number of workers supplied by each agency service and their duties;
- (d) details of the workers' salaries payable by each agency service. What is the range of monthly salaries and that of daily or hourly wages?
- (e) with regard to (a), (b), (c) and (d), please provide the respective numbers and percentages of change for each year:

	2010-11	2009-10	2008-09	2007-08
Number of agency services	( )	( )	( )	( )
Total contract sum for agency services	( )	( )	( )	( )
Term of service for agencies (average)	( )	( )	( )	( )
Total number of workers supplied by agency services	( )	( )	( )	( )
The workers' salaries (maximum, median and minimum salaries) payable by agency services	maximum ( ) median ( ) minimum ( )	maximum ( ) median ( ) minimum ( )	maximum ( ) median ( ) minimum ( )	maximum ( ) median ( ) minimum ( )

( ) percentage of change

- (f) the proportion of workers supplied by the agency services in the existing staff in the department; and
- (g) the proportion of expenditure on procuring the services of the agencies in departmental expenses.

Asked by: Hon. WONG Kwok-hing

Reply:

(a) to (e)

Details on procurement of services of agencies by the Trade and Industry Department are provided below (Table 1):

	2010-11 (see Note 1)	2009-10	2008-09	2007-08 (see Note 3)
Number of agency services		5 (+25%)	4 (0%)	4 (--)
Total contract sum for agency services		\$1,630,831 (-13.47%)	\$1,884,631 (+57.53%)	\$1,196,398 (--)
Term of service for agencies (average)		10.5 months (-12.5%)	12 months (+52.28%)	7.88 months (--)
Total number of workers supplied by agency services		9 (-30.77%)	13 (-7.14%)	14 (--)
The workers' salaries (maximum, median and minimum salaries) payable by agency services		(see	Note 2)	

( ) percentage of change

Note 1: As the number of workers supplied by agency services will change subject to service needs, the information for 2010-11 is not available at the moment.

Note 2: Pursuant to existing guidelines, departments usually only specify salaries for non-skilled workers. The workers listed in the above table do not belong to the non-skilled workers category.

Note 3: As the service started from 2007-08, the figures of 2006-07 are not available for comparison.

Details on procurement of T-contract services of agencies are provided below (Table 2):

	2010-11 (see Note 1)	2009-10	2008-09	2007-08
Number of agency services		4 (-20%)	5 (0%)	5 (-28.57%)
Total contract sum for agency services		\$7.846 million (+8.63%)	\$7.223 million (+8.39%)	\$6.664 million (+14.52%)
Term of service for agencies (average)		9.88 months (-17.67%)	12 months (+0.33%)	11.96 months (+16.68%)
Total number of workers supplied by agency services		14 (0%)	14 (0%)	14 (0%)
The workers' salaries (maximum, median and minimum salaries) payable by agency services		(see	Note 2)	

( ) percentage of change

Note 1: As the number of workers supplied by agency services will change subject to service needs, the information for 2010-11 is not available at the moment.

Note 2: Pursuant to existing guidelines, departments usually only specify salaries for non-skilled workers. The workers listed in the above table do not belong to the non-skilled workers category.

- (f) As shown in Table 1, a total of 9 workers supplied by agencies are attached to the Department, accounting for 1.43% of the 2009-10 departmental headcount. If the 14 T-contract IT services workers supplied by agencies listed in Table 2 are included, the total number of workers supplied by agency services would account for 3.57% of the departmental headcount.
- (g) The amount that the Department paid for procuring services from agencies in Table 1 accounted for 0.61% of the 2009-10 departmental recurrent expenditure. If the T-contract agency services listed in Table 2 are included, the total contract sum would amount to approximately 3.52% of the departmental recurrent expenditure.

Signature \_\_\_\_\_

Name in block letters Ms Maria S.N. KWAN

Post Title Director-General of Trade and Industry

Date 17 March 2010

Examination of Estimates of Expenditure 2010-11

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

Reply Serial No.

**CEDB(CIT)236**

Question Serial No.

2179

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:

Please provide the following information on the employment of temporary staff to provide services:

	2010-11	2009-10	2008-09	2007-08
Total number of temporary staff employed	( )	( )	( )	( )
Total expenditure on salaries of temporary staff employed	( )	( )	( )	( )
Percentage of temporary staff employed in the total number of staff in the department (%)	( )	( )	( )	( )

Figures in ( ) denote year-on-year changes

Asked by: Hon. WONG Kwok-hing

Reply:

The Trade and Industry Department did not/will not employ any temporary staff in the above financial years.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_  
Ms Maria S. N. KWAN

Post Title \_\_\_\_\_  
Director-General of Trade and Industry

Date \_\_\_\_\_  
16 March 2010

Examination of Estimates of Expenditure 2010-11

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

Reply Serial No.

**CEDB(CIT)237**

Question Serial No.

2180

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:

Please provide the following information on the employment of non-civil service contract (NCSC) staff to provide services:

	2010-11	2009-10	2008-09	2007-08
Number of NCSC staff	( )	( )	( )	( )
Total expenditure on salaries of NCSC staff	( )	( )	( )	( )
Length of employment of NCSC staff in years (average)	( )	( )	( )	( )
Number of NCSC staff that have converted to civil servants on permanent terms	( )	( )	( )	( )
If there were chances for conversion, the number of NCSC staff who failed to do so	( )	( )	( )	( )
Percentage of NCSC staff in the total number of staff in the department (%)	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by: Hon. WONG Kwok-hing

Reply:

Details on the employment of NCSC staff by the Trade and Industry Department are provided as follows:

	2010-11 (see Note)	2009-10	2008-09	2007-08
Number of NCSC staff	109 (-12.1%)	124 (+90.7%)	65 (+47.7%)	44 (-24.1%)
Total expenditure on salaries of NCSC staff	\$21,241,000 (-13.9%)	\$24,670,689 (+129%)	\$10,774,312 (-9.5%)	\$11,908,892 (-7.9%)
Length of employment of NCSC staff in years (average)	2.6 years (+4%)	2.5 years (-13.7%)	2.9 years (-30.9%)	4.2 years (+31.2%)
Number of NCSC staff that have converted to civil servants on permanent terms	No relevant information. (NCSC staff are not required to report whether they will transfer to civil service posts when resigned.)			



	2010-11 (see Note)	2009-10	2008-09	2007-08
If there were chances for conversion, the number of NSCS staff who failed to do so	Not applicable. (All NCSC staff are employed under fixed term contracts. They have to undergo the usual civil service recruitment procedures before transferring to civil service posts, and are employed on civil service terms.)			
Percentage of NCSC staff in the total number of staff in the department (%)	18.0% (-1.9%)	19.9% (+8.6%)	11.3% (+3.4%)	7.9% (-2.2%)

Note: While the requirements for NCSC staff may vary with changing service needs during the year, we plan to engage a number of NCSC staff in 2010-11 given anticipated workload in particular on the administration of funding schemes. The figures for 2010-11 are estimated on this basis.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ Ms Maria S. N. KWAN

Post Title \_\_\_\_\_ Director-General of Trade and Industry

Date \_\_\_\_\_ 18 March 2010

Examination of Estimates of Expenditure 2010-11

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

Reply Serial No.

**CEDB(CIT)238**

Question Serial No.

2181

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:

Please provide information on outsourced services (including property management, security, cleansing, telecommunications and information technology, statistics, etc., but excluding construction works) in the format set out below:

	2010-11	2009-10	2008-09	2007-08
Total number of outsourced service contracts	( )	( )	( )	( )
Total value of outsourced service contracts	( )	( )	( )	( )
Total number of workers employed under outsourced service contracts	( )	( )	( )	( )
Number of workers employed under outsourced service contracts who have been/ will be replaced by permanent staff employed by the Government	( )	( )	( )	( )

*Figures in ( ) denote year-on-year changes*

Asked by: Hon. WONG Kwok-hing

Reply:

The Trade and Industry Department did not/will not engage any outsourced services in the above financial years.

Signature \_\_\_\_\_

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

Ms Maria S. N. KWAN

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

Director-General of Trade and  
Industry

Date \_\_\_\_\_

16 March 2010

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

Reply Serial No.

**CEDB(CIT)239**

Question Serial No.

2044

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 paragraph 19 of his budget speech, the Financial Secretary pointed out that the Special Loan Guarantee Scheme (SpGS) so far has benefited over 16 000 enterprises and indirectly preserved jobs for 280 000 or so employees. For this, please provide the following information:

- a. the number of jobs which belong to the internship opportunities category;
- b. the number of jobs which belong to the training opportunities category;
- c. the number of jobs which belong to the non-internship and non-training opportunities category;
- d. the number of jobs, which belong to the non-internship and non-training opportunities category and have an employment period that lasts over 12 months;
- e. the number of newly created posts;
- f. the number of newly created posts with an employment period that lasts over 12 months;
- g. by Trade and Industry Department (TID)'s estimation, how much loan will be approved under the whole SpGS at the end of June, 2010.

Asked by: Hon. WONG Sing-chi

Reply:

(a) – (f)

The total number of employees of all beneficiary enterprises under the SpGS is compiled with reference to the information provided by these enterprises in their loan applications. We do not have information on the types of post.

(g)

The SpGS was launched on 15 December 2008. As at end of February 2010, TID has approved 28 533 applications, involving a total loan amount of over \$69 billion. We estimate that by the end of June 2010, the total number of applications will be around 35 000, involving a total loan amount of around \$98 billion. The number of employees hired by beneficiary enterprises may be affected by many factors. It would be difficult to provide an accurate estimation at the moment.

Signature \_\_\_\_\_

Name in block letters Ms Maria S. N. KWAN

Post Title Director-General of Trade and Industry

Date 16 March 2010

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

Reply Serial No.

**CEDB(CIT)240**

Question Serial No.

1659

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:

Provision is \$259.2 million (49.5%) higher than last year. This is mainly due to the full-year salary provision for filling of vacant posts, hosting of the APEC SME Working Group Meeting and its related activities, as well as increase in cash flow requirements for SME funding schemes. Will the Administration please specify the allocation of the relevant provision among the above-mentioned areas?

Asked by: Hon. WONG Ting-kwong

Reply:

The allocation of provisions for Programme (3) under the Estimates of Expenditure 2010-11 is as follows :

	2010-11 (Estimate) (\$million)	2009-10 (Revised Estimate) (\$million)	Increase in 2010-11 (Estimate) over 2009-10 (Revised Estimate) (\$million)
Recurrent expenditure (including salaries, general departmental expenses, etc.)	63.7	60.6	3.1
Hosting of the 30th APEC SME Working Group Meeting and its related activities	2.3	0.3	2
Cash flow requirements for SME funding schemes	717.3	463.2	254.1
Total	783.3	524.1	259.2

Signature \_\_\_\_\_

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

Ms Maria S.N. KWAN

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

Director-General of Trade and Industry

Date \_\_\_\_\_

15 March 2010

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

Reply Serial No.

**CEDB(CIT)241**

Question Serial No.

1660

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:

When the Trade and Industry Department (TID) reviews whether or not the Special Loan Guarantee Scheme (SpGS) would be extended, what are the factors to be taken into account? According to the Financial Secretary, the current outlook of the global economic recovery remains unclear, will TID review the funding scheme earlier or extend it?

Asked by: Hon. WONG Ting-kwong

Reply:

SpGS is an exceptional measure which aims to assist Hong Kong enterprises in coping with the global financial crisis. It is a time-limited scheme. The application period has been extended twice till the end of June this year. We will closely monitor the pace of economic recovery in the coming months and decide when to let the credit market resume normal operation.

Signature \_\_\_\_\_

Name in block letters \_\_\_\_\_ Ms Maria S. N. KWAN

Post Title \_\_\_\_\_ Director-General of Trade and Industry

Date \_\_\_\_\_ 16 March 2010