

立法會
Legislative Council

LC Paper No. CB(1)2823/09-10
(These minutes have been seen
by the Administration)

Ref : CB1/PL/EDEV/1

Panel on Economic Development

**Minutes of meeting held on
Monday, 19 July 2010, at 4:30 pm
in Conference Room A of the Legislative Council Building**

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

Members absent : Hon Miriam LAU Kin-ye, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP

Public officers attending : Agenda Item II
Dr POON Kit
Under Secretary for the Environment

Miss Vivian LAU Lee-kwan
Deputy Secretary for the Environment

Miss Katharine CHOI
Principal Assistant Secretary for the Environment
(Energy)

Mr Edmond HO Ka-man
Principal Environmental Protection Officer (Mobile
Source)
Environmental Protection Department

**Attendance by
invitation**

: Agenda Item II

SINOPEC (HK) Petrol Filling Station Co Ltd

Mr Paul FENG Lian-hua
Managing Director

Ms Aegina LIU Pui-yin
Senior Manager - Marketing

ExxonMobil Hong Kong Limited

Mr Jimmy HAU
Director, Sales (Hong Kong & Macau)

Mrs Grace Lam
Vice President - Public & Government Affairs
Hong Kong & Southern China

Chevron Companies (Greater China) Limited

Mr Albert KWOK
General Manager - Products (HK/South China)

Ms Eunice CHENG
Manager - Policy, Government & Public Affairs

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

Staff in attendance : Mr Stephen LAM
Assistant Legal Adviser 4

Ms Angel SHEK
Senior Council Secretary (1)1

Ms Michelle NIEN
Legislative Assistant (1)9

Action

I Information paper issued since last meeting

(LC Paper No. CB(1)2430/09-10(01) Tables and graphs showing the import and retail prices of major oil products from June 2008 to May 2010 furnished by the Census and Statistics Department)

Members noted the above information paper issued since the last regular meeting.

II Introduction of petrol of lower octane numbers by oil companies

(LC Paper No. CB(1)2532/09-10(01) - Administration's paper on introduction of petrol of lower octane numbers by oil companies

LC Paper No. CB(1)2532/09-10(02) - Submission from Shell Hong Kong Limited (*Chinese version only*)

LC Paper No. CB(1)2532/09-10(03) - Submission from ExxonMobil Hong Kong Limited (*Restricted to Panel members only*)

LC Paper No. CB(1)2591/09-10(01) - Submission from ExxonMobil Hong Kong Limited (*Chinese version only*)

LC Paper No. CB(1)2532/09-10(04) - Submission from Chevron Companies (Greater China) Limited (*English version only*)

LC Paper No. CB(1)2532/09-10(05) - Submission from SINOPEC (Hong Kong) Limited

LC Paper No. CB(1)2532/09-10(06) - Paper on introduction of petrol of lower octane numbers prepared by the Legislative Council Secretariat (background brief)

2. The Chairman said that the Administration had provided the paper for discussion on 13 July 2010, which did not meet the requirement of providing

papers at least five clear days before the relevant Panel meeting. In accordance with the agreement made at the House Committee meeting on 26 November 2004, the Chairman consulted members whether the item should be discussed. Members agreed.

3. The Chairman advised that the Panel had invited four oil companies to attend the meeting but they had raised concerns that they would not discuss the policies of the company if other competitors were present, and discussion involving commercially sensitive information should not be held openly. There was a suggestion to conduct the discussion in closed meeting whereby each of the attending oil companies would meet with the Panel and the Administration in turn. In accordance with Rule 77(12) of the Rules of Procedures of the Legislative Council (LegCo), Panel meetings should be held in public unless the Chairman otherwise ordered in accordance with any decision of the Panel. The Chairman thus invited members to consider the suggestion of holding the meeting in camera.

4. Mr Albert HO expressed concern that the suggested arrangement would set an ill example for other parties to follow suit. While closed meetings had been arranged in the past for discussing issues of highly sensitive nature, such as criminal investigation deploying advanced technology, Mr HO considered that it might not be justified to adopt the same in the current case.

5. Mr Ronny TONG also considered the oil companies' refusal to attend an open meeting unacceptable, and the suggestion of holding the discussion in camera would deprive the media and the public their rights to information. Sharing the same concern, Mr Albert CHAN recalled that the Panel had held closed meetings with the power companies many years ago when discussing electricity tariff adjustments, but discussions on the same subject had subsequently been held in public for a number of years. He did not see why discussion on the introduction of petrol of lower octane number by oil companies would entail confidential information.

6. Mr WONG Ting-kwong said that while he agreed on the need for transparency in Panel discussions, he would take the suggestion of holding the meeting in camera if it could enable Panel members to have a deeper understanding of the issue at stake. Mr Andrew LEUNG shared this view in the light of previous experience of holding closed Panel meeting with oil companies on issues relating to auto-fuel prices.

7. The Chairman appreciated that members preferred the participation of oil companies in an open meeting, as the subject matter appeared to involve technical feasibility rather than sensitive cost issues. In view of the oil companies' request, the Chairman suggested the meeting be suspended for a few minutes for him to further discuss members' views with the oil companies. Members agreed.

8. The meeting was suspended for five minutes.

9. When the meeting resumed, the Chairman reported that the oil companies

maintained their request for a closed meeting having regard that the discussion would involve confidential and commercially sensitive information. He advised that the Panel might consider continuing the meeting in open discussion with the Administration only or switching to a closed meeting with the participation of both the Administration and individual oil companies. The Chairman added that as the Administration might not be able to answer some of the members' enquiries related to individual oil companies' policies and operation, it would better serve the purpose if members and the oil companies could exchange views directly.

10. Mr Albert CHAN counter-suggested that the Panel might consider inviting the Administration to brief members on the subject first, while concurrently the Panel's legal adviser could discuss with the oil companies to ascertain whether the discussion would touch on confidential issues. He considered this would be a more responsible and prudent approach for the Panel to determine whether to accept the request for a closed meeting or otherwise. The Chairman opined that the legal adviser might not be in a position to analyze and judge the nature of information before the Panel actually entered into discussion with the oil companies. Mr CHAN insisted that the Panel should not accept the request based on the one-sided views of the oil companies.

11. Mr Vincent FANG suggested that Panel members might avoid raising cost and other sensitive issues in the open discussion with the oil companies. Mr WONG Ting-kwong said that to uphold public accountability, it was necessary for Panel members to know which part of the closed-door discussion, if held, could be disclosed upon media's enquiries. Ms Starry LEE understood that members aspired to conducting the discussion in public. However, the Panel might consider discussing with the oil companies in camera in order to determine whether to disclose the content of deliberation. Mr Andrew LEUNG shared the suggestion. The Chairman advised that Panel members should obtain the consent of individual oil companies before disclosing the information in question.

12. Mr Albert CHAN said that he would leave the meeting if it was not open to the public as it would also "encourage" other organizations to follow suit under the pretext of confidentiality.

13. The Chairman put the suggestion of holding the meeting in camera to vote. As the majority of members attending the meeting voted in favour of the suggestion, the Chairman declared that the rest of the meeting be held in camera and ordered attending members of the media and the public to leave the meeting. Mr Albert CHAN left the meeting.

(Closed-door session)

This part of the minutes is CONFIDENTIAL

III Any other business

43. The Chairman thanked members and representatives of the Administration for attending the last Panel meeting of the 2009-2010 legislative session and their contribution in past meetings.

44. There being no other business, the meeting ended at 6:50 pm.

Council Business Division 1
Legislative Council Secretariat
9 September 2010