

## **LegCo Panel on Economic Development**

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

#### **Introduction**

This paper outlines the initiatives related to the economic development portfolio of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau under the 2009-10 Policy Agenda.

#### *Developing the Infrastructure for Economic Growth*

#### **On-going Initiatives**

#### **Competition Policy**

***Initiative:** Preparing a Competition Bill for introduction into the Legislative Council in the 2009-10 legislative session, taking account of views put forward by stakeholders.*

2. To ensure the effective implementation of our current competition policy and to provide a level playing field for business, we are working hard towards the introduction of a cross-sector competition law. We have worked closely with various Bureaux and Departments to address comments received during last year's public consultation exercise and resolve a number of technical, legal and policy issues in the Competition Bill. Our target is to introduce the Bill into the Legislative Council in the 2009-10 legislative session.

#### **Aviation Weather Services**

***Initiative:** Taking forward a programme aimed at enhancing the aviation weather services for the Hong Kong International Airport, including the replacement/upgrading of the Hong Kong Observatory's*

*meteorological equipment.*

3. Aviation safety relies on quality weather services. The Legislative Council has approved the necessary funding in February 2009 for the Hong Kong Observatory to replace and upgrade the meteorological facilities for the Hong Kong International Airport, which include a new Terminal Doppler Weather Radar to provide reliable wind shear warnings.

4. We are making preparations for the construction of a station to house the new radar, including local consultations and more detailed design work. We plan to seek funding approval from the Legislative Council in the first half of 2010.

**Tourism**

***Initiative:** Together with local stakeholders and Mainland tourism authorities, continuing the promotion of honest tourism and hospitality culture to further uplift the quality of Hong Kong's tourism services.*

5. We are committed to promoting honest and quality tourism. The Mainland is Hong Kong's largest source of visitors. We attach great importance to the consumer rights of Mainland visitors in Hong Kong. Together with the Travel Industry Council of Hong Kong, the Hong Kong Tourism Board (HKTB), the Consumer Council and the tourism trade, we have adopted a multi-pronged approach in promoting honest and quality tourism through legislation, more stringent enforcement actions, trade regulation, maintaining close liaison with Mainland tourism authorities, and consumer education and promotion of quality tourism products targeted at Mainland visitors. We will keep up our rigorous efforts in these areas.

6. Hospitality culture is essential to the sustainable development of the tourism industry. In addition to the "Hong Kong Young Ambassador Scheme", we have joined hands with the travel industry and related organisations to conduct a number of activities, such as basic training on wine and food matching for hospitality staff in Chinese restaurants, English language training for taxi drivers, seminars

and workshops for managerial and frontline staff in the travel trade, as well as encouraging youths to promote service excellence both within and outside schools.

***Initiative: Supporting the HKTB in its promotion work in key source markets, in particular in its effort to help the trade tide over the challenges arising from the global economic crisis and human swine influenza.***

7. Affected by the global economic crisis and human swine influenza, visitor arrivals in the first nine months of 2009 totalled 21.16 million, 2.8% lower than the same period in 2008. The situation has improved recently. The drop in short-haul arrivals, resulting from the outbreak of human swine influenza, moderated significantly in the last two months. Performance of individual emerging markets has also been encouraging. For example, since the implementation of visa-free access arrangement in July this year, visitors from Russia have increased by 80% compared with the same period in 2008.

8. The Government is very concerned about the impact of the financial crisis and the human swine influenza pandemic on tourism. To restore confidence in both inbound and outbound travel and to encourage visits to Hong Kong, we disseminate the “business as usual” message widely through the local and overseas network of the Government, the HKTB, the Hong Kong Trade Development Council and the travel trade. The HKTB has also adjusted its promotion strategies in light of the market situation by focusing resources on strengthening promotions in the Mainland and short-haul markets with growth potential, developing new promotional windows, and encouraging Hong Kong’s hotels, ground operators and major attractions to come up with appealing offers to induce arrivals. The HKTB is also working to intensify its overseas media and trade familiarization visits so that participants could experience first-hand the allure of Hong Kong.

9. To broaden our source of visitors, we have engaged in ongoing discussion with the Central Government on further facilitation measures for Mainland residents to visit Hong Kong. Measures that have

already been implemented include allowing eligible Shenzhen non-permanent residents and their close relatives to visit Hong Kong in group tours, and introducing a one-year multiple-entry Individual Visit Scheme (IVS) endorsement for eligible Shenzhen permanent residents to visit Hong Kong. The latter is especially popular among Shenzhen residents, with about 740 000 arrivals using the one-year multiple-entry IVS endorsement since its implementation in April (up to end September 2009). According to a HKTB survey conducted in Shenzhen, 73% of the Shenzhen permanent residents indicated that they would visit Hong Kong more frequently because of the new measure, increasing from a monthly average of 1.4 times to 1.9 times. As for the arrangement for non-Guangdong residents in Shenzhen to apply for IVS endorsements in Shenzhen to visit Hong Kong, we have been liaising closely with the Mainland authorities for its early implementation.

***Initiative: Supporting HKTB's dedicated office "Meetings and Exhibitions Hong Kong" and continuing partnership with our local and overseas networks to promote MICE (meetings, incentive travels, conventions and exhibitions) tourism in Hong Kong.***

10. The HKTB set up a dedicated office, "Meetings and Exhibitions Hong Kong" (MEHK), last year to provide one-stop support for MICE event organisers and to enrich the travel experience of event participants with a view to attracting more high-quality and large-scale conventions and exhibitions to be held in Hong Kong. Since its establishment, the MEHK office has assisted in securing over 50 MICE events to be held in Hong Kong for the first time. The Government will continue to leverage on its local and overseas networks to enhance the appeal of Hong Kong as a world city, and to maximise the synergy between our overseas promotion work and the bidding efforts for MICE events.

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

11. We are committed to developing Hong Kong into a leading regional cruise hub, and have invited tenders for the site formation works and cruise terminal building works. We will seek funding approval from the Legislative Council of about \$2.3 billion in money-of-the-day prices in November to allow the site formation works to start by the end of this year, and will ensure that the first berth will commence operation in mid-2013.

12. On the software front, the Government works closely with the Advisory Committee on Cruise Industry, members of the industry and HKTB to promote cruise tourism in the Mainland and overseas markets, and co-operates with neighbouring Mainland coastal provinces on itinerary development. We will continue to assist cruise vessels which cannot berth at the Ocean Terminal due to size or conflicting schedule to make alternative berthing arrangements, and drive manpower training in cruise and related industries to meet the needs of the cruise market in Hong Kong. With the implementation of the measure allowing Mainland tour groups to take cruise vessels homeporting in Hong Kong to Taiwan, the inaugural sailing was launched in August. In 2010, there will be about 20 such sailings from Hong Kong to Taiwan. This measure opens up new opportunities in the Mainland market for the cruise industry. We will continue to develop Hong Kong into a must-visit cruise destination, and attract more cruise vessels to homeport in Hong Kong.

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

***(a) Planning and co-ordinating new projects including the enhancement of the Lei Yue Mun waterfront, development of a piazza in Tsim Sha Tsui and development of Bruce Lee's Residence.***

13. We are pursuing improvement projects on tourism facilities in different districts. We will continue to liaise closely with relevant departments, the tourism sector and all stakeholders to ensure that these projects meet the expectations of residents, satisfy the needs of visitors and enrich their visiting experience.

14. For the Lei Yue Mun Waterfront Enhancement Project, the works departments are preparing the detailed design and arranging for gazettal of the project works according to statutory procedures. Subject to completion of the relevant procedures, we intend to seek funding approval from the Legislative Council in the third quarter of 2010, with a view to commencing the works in early 2011 for phased completion from end 2012 onwards.

15. The Government plans to develop the existing Public Transport Interchange adjacent to the Tsim Sha Tsui Star Ferry Pier into a piazza to provide a leisure space for public enjoyment and to better integrate the many tourist attractions in the vicinity. A design competition for the piazza, launched in May 2009, is currently underway. It will be carried out in two phases and the piazza will be constructed based on the winning design. Results of the competition will be announced early next year. We will engage the public on the management mode of the piazza when the design is finalised and develop a concrete proposal before seeking funding approval from the Legislative Council.

16. We plan to restore the former residence of the late international film star Mr Bruce Lee in Kowloon Tong, with a view to developing it into a tourist attraction for public visitation, in commemoration of Bruce Lee's contributions to martial arts and the local film industry. To invite creative ideas from round the world for restoring Mr Lee's former residence, we have organised an ideas competition which is currently underway. We seek to optimise the use of space of the property through the ingenuity of the designs and encourage public participation. Results of the ideas competition will be announced early next year.

17. In parallel, the Government is making preparations on other fronts, including exploring the institutional arrangements for the management of the facility and its future operations. We are also working on two documentaries, one on the life of Bruce Lee, and the other on the making of the Bruce Lee's Residence. We are also gathering information on Bruce Lee and exhibits for the future facility from his family and friends in the film industry, etc.

***(b) Promoting new tourism products, such as the Former Marine Police Headquarters Historic Compound and the Noah's Ark.***

18. We will continue to encourage collaboration between the travel trade and tourist attractions to enhance the development and promotion of new tourism products. The Former Marine Police Headquarters Historic Compound in Tsim Sha Tsui was opened in April 2009. Members of the public are free to visit the compound, or to join the free guided tours organised by the operator of the facility. A Co-ordinating Committee, comprising representatives from the facility's operator, tourism sector and relevant Government departments, was formed to discuss the sustainable development and promotion of this heritage tourism facility. In addition, the Noah's Ark in Ma Wan was opened at the end of May this year. Apart from edutainment attractions, the Ark also offers meeting and vacation facilities.

*(c) Overseeing the implementation of the Hong Kong Disneyland expansion plan.*

19. The Finance Committee of the Legislative Council approved the financial arrangements relating to the expansion of Hong Kong Disneyland (HKD) in July. The expansion works will commence soon. The new facilities will be completed in phases in the coming few years. We look forward to HKD becoming an even more attractive tourist destination for family and young visitors after the expansion.

*Investing for a Caring Society*

**On-going Initiative**

**Consumer Protection**

***Initiative:** Preparing legislative proposals to strengthen consumer protection with a view to consulting the public by end-2009 or early 2010; and stepping up publicity and education efforts.*

20. The Government is committed to enhancing protection for consumers. We will focus on three main areas of work in the coming year. First, we will introduce a bill into this Council in the first half of the legislative session to amend the Toys and Children's Products Safety

Ordinance (Cap. 424). Under the Ordinance, various international safety standards and safety standards adopted by major advanced economies are prescribed for toys and designated children's products that are available in the local market. The bill seeks to update these standards taking into account developments in other economies so as to give better and more comprehensive protection.

21. Secondly, we are reviewing our consumer protection legislation with a particular focus on tackling unfair trade practices. We are examining how the current legislative regime could be suitably strengthened in a timely manner so as to accord effective protection for consumers against unfair trade practices. In conducting this review, we will endeavour to provide adequate safeguards for consumers but at the same time, avoid imposing undue compliance costs on businesses or undermining their daily operations and promotional activities. Our target is to formulate legislative proposals for consulting the public by the end of this year or early next year.

22. Enhancing consumer awareness is equally important as legislative oversight. We are stepping up publicity and consumer education for the purpose. In early October, we already launched a new publicity campaign, consisting of feature articles in newspapers, TV and radio advertisements of public interest, to apprise consumers of the characteristics and points to note in different modes of consumption. We will sustain the momentum by undertaking additional initiatives in the months ahead.