

**Replies to initial written questions raised by Finance Committee Members
in examining the Estimates of Expenditure 2012-13**

**Director of Bureau : Secretary for Commerce and Economic Development
Session No. : 12**

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

Reply Serial No.

CEDB(CIT)001

Question Serial No.

2775

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 :

Will the Hong Kong Trade Development Council open new overseas offices in 2012-13? If yes, what are the number and locations?

Asked by : Hon. CHAN Kam-lam

Reply :

The Hong Kong Trade Development Council does not have any plan to open new overseas office in 2012-13.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

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

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)002

Question Serial No.

2439

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 Administration indicated in its last year's written reply to question on the Estimates of Expenditure 2011-12 that it did not have the information on the percentage contribution of small and medium enterprises (SMEs) to the Gross Domestic Product (GDP) of Hong Kong. Would the Administration advise this Committee of the current percentage share of SMEs in the GDP? What is the employment size of SMEs and its proportion in the total labour force? How are these figures compared to those 5 years, 10 years and 15 years ago? On the assumption that the percentage contribution of SMEs to the GDP and the percentage of the employment size of SMEs in the total labour force are both declining, is the Administration aware of the reasons? Is there any plan to support the sustainable development of SMEs?

Asked by : Hon. CHAN Mo-po, Paul

Reply :

The Administration does not have information on the contribution to the Gross Domestic Product of Hong Kong by small and medium enterprises (SMEs) in all sectors, suffice for it to say that SMEs have always been the backbone of Hong Kong's economy. According to the latest statistics provided by the Census and Statistics Department, there were about 300 000 SMEs in Hong Kong in September 2011, accounting for over 98% of all local enterprises, and employing more than 1.24 million persons, constituting about 48% of total employment in the private sector. In 2000 and 2005, the number of persons employed by SMEs was around 1.2 million, constituting respectively 52% and 51% of total employment in the private sector. As regards the data on SMEs in 1995, they were not compiled in accordance with the current definition of business units and industry classification. They are therefore not directly comparable with those after 2000.

The Government attaches great importance to the development of SMEs. The estimated expenditure in 2012-13 for Programme (2) Commerce and Industry is about \$150 million. It is mainly for the manpower and operating expenditure for handling this programme area. It does not include the funding allocated to the Trade and Industry Department (TID) for its specific measures to assist SMEs. In 2012-13, TID will continue to implement the SME Funding Schemes, including the SME Loan Guarantee Scheme, SME Export Marketing Fund and SME Development Fund, and the estimated expenditure is around \$320 million. To enhance support for the sustainable development of SMEs, we have obtained the approval of the Finance Committee of the Legislative Council in July 2011 to increase the total guarantee commitment under the SME Loan Guarantee Scheme substantially from \$20 billion to \$30 billion and inject an additional \$1 billion into the SME Development Fund and SME Export Marketing Fund. In addition, the Support and Consultation Centre for SMEs of TID will continue to provide free, reliable and practical information and consultation services for SMEs.

Given the fluctuations in the external economic environment, SMEs may have to face financing difficulties as a result of a credit crunch. To help SMEs, the Financial Secretary proposed in the 2012-13 Budget to introduce special time-limited concessionary measures under the existing SME Financing Guarantee Scheme of the Hong Kong Mortgage Corporation Limited. Under the measures, the loan guarantee ratio will be increased from the existing ceiling of 70% to 80%, and the guarantee fee will be reduced substantially. The application period will last for nine months. The Government will provide a total guarantee commitment of \$100 billion for the special concessionary measures.

To support Hong Kong enterprises, in particular SMEs, to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011-12 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland. We have consulted the trade earlier and are finalising the operation details of the fund. We plan to seek funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid 2012.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)003

Question Serial No.

2440

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 indicated in "Matters Requiring Special Attention in 2012-13" under this Programme that the 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 advise this Committee of the estimated provision, staff establishment and expected effectiveness of the work in 2012-13.

Asked by : Hon. CHAN Mo-po, Paul

Reply :

In 2012-13, the Commerce and Economic Development Bureau will continue to encourage and assist Hong Kong enterprises in upgrading and restructuring, relocating their operations and opening up new markets so as to adjust to changes in the Mainland's policy on processing trade through the following work:

- maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand the trade's concerns and views; and 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 relay to them the trade's views and to discuss with them the trade's proposed measures;
- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities such as symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade's understanding of the Mainland's new policies, legislation and business environment. TID's website includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland;

- organising promotional activities and trade fairs and organising delegations to visit the Mainland through the Hong Kong Trade Development Council (HKTDC), 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, management improvement, branding and market development, etc., and Mainland market information through the HKTDC and the Hong Kong Productivity Council, etc.; 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, business restructuring and relocation.

The Mainland authorities have responded positively to many proposals of the Hong Kong Special Administrative Region Government and the trade. Various facilitation and support measures were launched in the past few years, including the implementation of "restructuring without stopping production" and "consolidated tax return for multiple domestic sales". The Guangdong Province also organised a seminar in Hong Kong in December 2011 to introduce 30 related policy measures, with a view to further enhancing support for the restructuring and upgrading by enterprises and their tapping into the Mainland domestic market.

According to the figures provided by the Guangdong Provincial Government, there were about 11 000 enterprises engaged in processing trade (which are not legal persons) as at end 2011, of which 4 450 have successfully restructured into one of the three types of foreign-funded enterprises (about 90% of them are Hong Kong enterprises).

The manpower and expenditure of the above-mentioned work have been subsumed within the establishment and provision for this Bureau and relevant departments and organisations. It is difficult to quantify them separately.

To support Hong Kong enterprises, in particular SMEs, to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011-12 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland. We have consulted the trade earlier and are finalising the operation details of the fund. We plan to seek funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid 2012.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)004

Question Serial No.

2441

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 this Programme, the estimated provision for 2012-13 is \$18.2 million (13.4%) lower than the revised estimate for 2011-12, mainly due to the anticipated decrease of cash flow requirement for the Mega Events Fund. Would the Administration inform this Committee of the current balance of the Fund? Could it cater for the applications next year? Would there be any provision earmarked for the Fund? What were the amounts approved for each financial year since the establishment of the Fund? What were the events which had been rejected last year and what were the reasons?

Asked by : Hon. CHAN Mo-po, Paul

Reply :

The Mega Events Fund (MEF) was established in 2009, following funding approval of the Finance Committee of the Legislative Council (LegCo). Since its inception, six rounds of applications have been invited and a total sum of \$51.3 million has been granted to support 16 mega events. The three-year funding approved by LegCo will expire by the end of March 2012. The estimated expenditure for the MEF in 2012-13 is \$8.7 million. This amount is reserved for paying the outstanding balance in respect of those MEF supported events completed before the end of March 2012 and is therefore less than that in 2011-12. After deducting this amount, the remaining balance of the MEF (around \$40 million) will lapse automatically.

In his 2012-13 Budget, the Financial Secretary has proposed to allocate another \$150 million to the MEF and extend its operation for five years. The MEF Assessment Committee is studying ways of giving the MEF more flexibility to facilitate its effective operation. We wish to finalise detailed modus operandi of the new scheme and consult the Economic Development Panel of LegCo on the proposal as soon as possible. Our plan is to seek funding approval from the Finance Committee within this legislative year.

The total amounts granted to MEF supported events in the past three financial years were \$11.9 million, \$18.1 million, and \$21.3 million respectively.

In the past three financial years, there were 21, 13 and eight unsuccessful applications to the MEF respectively. The MEF has a strict and open assessment mechanism. The MEF Assessment Committee considers all the applications in detail. Successful applications must fulfil certain basic criteria. For instance, the proposed event must be an arts, cultural or sports event; the organiser(s) must be local non-profit-making organisation(s); and the number of participants in the proposed event must exceed 10 000. To pass the assessment, the proposed event is also required to attain passing marks for each of the assessment criteria including economic benefits, publicity benefits, scale of the event, technical and financial feasibility, as well as the applicants' event management capabilities etc. The MEF Assessment Committee has been assessing each of the applications carefully in accordance with the open assessment mechanism. Applications failing to meet any of the assessment criteria will be rejected.

It is the established practice for the MEF Assessment Committee not to disclose the identity of unsuccessful applicants or the details of their applications without the consent of the applicants. Nevertheless, the Secretariat of the MEF Assessment Committee will notify unsuccessful applicants individually and give an account of the reasons for their unsuccessful applications upon request, with a view to assisting the applicants to make improvements in future applications.

Signature	_____
Name in block letters	Andrew HY WONG
	Permanent Secretary for Commerce and Economic Development
Post Title	(Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)005

Question Serial No.

2442

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 :

It is indicated in "Matters Requiring Special Attention in 2012-13" under this Programme that the Hong Kong Trade Development Council will capitalise on the opportunities arising from the Mainland's National 12th Five-year Plan. Will the Government adopt specific measures in 2012-13 to support the work? If yes, what are the estimated action plan, the provision, the staff establishment and the expected effectiveness? If not, what are the reasons?

Asked by : Hon. CHAN Mo-po, Paul

Reply :

Hong Kong Trade Development Council (TDC) assists Hong Kong companies to capitalise on the opportunities arising from National 12th Five-year Plan through the following key promotional programmes in 2012-13:

1. Staging a signature event "SmartHK" in Hangzhou to showcase Hong Kong's full range of business support services that can help Mainland enterprises to transform and upgrade;
2. Leading a delegation from the services industries to participate in the China (Beijing) International Fair for Trade in Services (CIFTIS) in May this year which will be launched for the first time;
3. Organising business matching activities, and forums on intellectual property trading, licensing and professional services;
4. Organising a series of the "Creativity in Business" seminars in places beyond the Pearl River Delta region;
5. Launching a new promotional theme "HK ICT Plus" which will include a series of outbound missions and seminars on the exploration of the Mainland market;

6. Collaborating with Hong Kong's professional associations to organise sectoral seminars and mega promotional campaigns to showcase the support that Hong Kong's services industries can provide during the Mainland's urbanisation process;
7. Organising round-table discussions between Mainland property developers and Hong Kong services providers;
8. Organising a symposium to introduce the role that Hong Kong professional services, including legal, accounting and management consultants services, can play in helping Mainland enterprises to transform and upgrade with the co-operation of the Mainland's Ministry of Commerce;
9. Stepping up business matching services for technology-rich overseas companies to partner with Hong Kong companies to invest in and sell new technologies to Mainland manufacturers;
10. Building on the successful experience of Asian Logistics and Maritime Conference held at the end of last year, TDC will organise the same conference again in November this year to discuss the huge opportunities in Asia and showcase Hong Kong's role as a logistic hub; and
11. Organising business missions to the resource-rich provinces and autonomous regions such as Anhui, Ningxia, Fujian, Shandong and Hubei. Besides, TDC will continue to arrange about 20 CEO training and familiarisation programmes with an aim to encouraging more Mainland enterprises to leverage on Hong Kong's business and services platform.

The budget for the above programmes is \$49.5 million.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)006

Question Serial No.

2443

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 number of local fairs expected to be held in 2012-13 will be the same as that in last year. Is this because the Administration prefers holding fairs at the Hong Kong Convention and Exhibition Centre, which is a venue with limited capacity? Are there other reasons? Please list out the venues of the 35 fairs held last year.

Asked by : Hon. CHAN Mo-po, Paul

Reply :

The Hong Kong Trade Development Council (TDC) organised a total of 35 fairs in 2011-12, 30 of which were organised in the Hong Kong Convention and Exhibition Centre (HKCEC) and the remaining five fairs were held in Asia-World Expo (AWE):-

Exhibitions	Venue
1. World Boutique, Hong Kong	HKCEC
2. Hong Kong Fashion Week for Fall / Winter	HKCEC
3. Hong Kong Baby Products Fair	HKCEC
4. International Stationery Fair	HKCEC
5. Hong Kong Toys & Games Fair	HKCEC
6. Hong Kong International Licensing Show	HKCEC
7. Education & Careers Expo	HKCEC
8. Hong Kong International Jewellery Show	HKCEC
9. Hong Kong International Film & TV Market	HKCEC
10. Hong Kong International Lighting Fair (Spring Edition)	HKCEC

Exhibitions	Venue
11. Hong Kong Electronics Fair (Spring Edition)	HKCEC
12. International ICT Expo	HKCEC
13. International Home Textiles and Furnishings Fair	HKCEC
14. Hong Kong Houseware Fair	HKCEC
15. Hong Kong Gifts & Premium Fair	HKCEC
16. Hong Kong International Printing & Packaging Fair	AWE
17. Entrepreneur Day	HKCEC
18. Summer Sourcing Show for Gifts, Houseware & Toys	HKCEC
19. Hong Kong Fashion Week for Spring/Summer	HKCEC
20. Hong Kong Book Fair	HKCEC
21. Better Living Expo	AWE
22. Hong Kong International Tea Fair	HKCEC
23. International Conference & Exhibition of the Modernization of Chinese Medicine & Health Products	HKCEC
24. Food Expo	HKCEC
25. Hong Kong Watch & Clock Fair	HKCEC
26. Hong Kong Electronics Fair (Autumn Edition)	HKCEC
27. electronicsAsia	HKCEC
28. Hong Kong International Building and Decoration Materials & Hardware Fair	AWE
29. Eco Expo Asia – International Trade Fair on Environmental Protection	AWE
30. Hong Kong International Lighting Fair (Autumn Fair)	HKCEC
31. Sports Source Asia	AWE
32. Hong Kong Optical Fair	HKCEC
33. Hong Kong International Wine & Spirits Fair	HKCEC
34. World SME Expo	HKCEC
35. Inno Design Tech Expo	HKCEC

TDC has staged 30 trade fairs in Asia-World Expo since its opening in 2006, bringing in more than 6 800 exhibitors and 230 000 buyers. Most of these fairs were co-organised with private fair organizers. The themes of the fairs vary from autoparts, printing and packaging, to furniture, building materials, environmental protection and sporting goods.

In July 2011, TDC organised the first consumer-cum-trade fair - Better Living Expo in AWE, concurrently with the Hong Kong Book Fair staged at HKCEC. Shuttle buses running between the two venues were also provided. The fair, featuring 240 exhibitors, has attracted 26 000 consumers and 1 000 buyers. TDC will continue to stage Better Living Expo at AWE this summer and will enrich the fair content to make it more attractive.

TDC will only consider the need to organise a new exhibition when there is sufficient demand from the concerned industry sector or when there is a need to promote certain industry sectors in support of the Government's policy. It will then look for suitable venue and time slot. TDC will continue to explore the possibility of organising new exhibition(s) for emerging industries.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)007

Question Serial No.

0170

Head : 152 Government Secretariat: Subhead (No. & title) : 000 Operational
Commerce and Economic Expenses
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 estimates for 2011-12 and 2012-13,

- a) the revised estimate for 2011-12 is lower than the original estimate by \$50 million. Is the difference due to the failure to establish a Competition Commission in the year as planned? If so, is the reduction in the estimate by \$50 million equivalent to the cost of establishing the Competition Commission?
- b) the estimate for 2012-13 is over \$90 million, much higher than the estimate of \$59.7 million for 2011-12. Given that there is no significant change in the focus areas for 2012-13 as compared with those for the previous year except the establishment of the Competition Commission, will the Government explain whether the sharp rise in the estimate is due to a substantial increase in the estimate for the operation of the Competition Commission?

Asked by : Hon. CHAN Tanya

Reply :

Provision in the original estimate for Programme (4) in 2011-12 was earmarked mainly for the preparatory work relating to the Competition Commission (the Commission), in view of the possibility of enacting the Competition Bill (the Bill) in the later part of 2011-12. Having reviewed the legislative progress, the estimate for 2011-12 was revised downwards by \$50 million. For 2012-13, we have earmarked \$80.7 million. The increase over the provision in 2011-12 is to cater for the establishment and operation of the Commission in 2012-13 should the Bill be enacted within the same year.

Signature _____

Name in block letters Andrew HY WONG

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

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)008

Question Serial No.

0175

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

Subhead (No. & title) :

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 :

With regard to the public consultation exercise on the regulatory framework of the tourism sector, what is the Administration's work plan for collating the public views and consultation findings? Will the Administration allocate resources for a policy study and legislative drafting work for the proposed regulatory framework of the tourism sector in 2012-13? If yes, what are the work plans and timetables?

Asked by : Hon. CHAN Tanya

Reply :

The Government announced the findings of the public consultation on the review of the operation and regulatory framework of Hong Kong's tourism sector and the way forward on 20 December last year. We proposed that an independent statutory body be established as the regulatory body of the tourism sector. We briefed the Panel on Economic Development of the Legislative Council on the way forward on 27 February 2012. In 2012-13, we will carry out policy research and legislative drafting work related to the implementation of the way forward with existing resources. No additional expenses will be incurred. Subject to the progress of work, we expect that the draft new legislation can be introduced into the Legislative Council in about two and a half years.

Signature _____

Name in block letters _____ Andrew HY WONG

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

Date _____ 29.2.2012

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

Reply Serial No.

CEDB(CIT)009

Question Serial No.

0176

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 view of the recent incidents involving Ngong Ping 360, which is a major tourist attraction in Hong Kong, will the Government allocate resources in 2012-13 to conduct a comprehensive review of its monitoring mechanism and incident notification mechanism? If yes, what are the details and schedule of the plan? If not, what are the reasons?

Asked by : Hon. CHAN Tanya

Reply :

The Government is very concerned about the recent spate of service suspension of the Ngong Ping 360 ropeway, particularly the latest incident on 25 January 2012 that led to visitors being stranded in car cabins for nearly two hours. The Government has asked the Ngong Ping 360 Limited to maintain high safety standards and reliable service as well as to be sensitive to visitors' needs.

After conducting a preliminary investigation into the incident of 25 January, Ngong Ping 360 announced on 3 February the extension of the suspension of cable car service for two months in order to replace the bearings of all seven sets of bullwheels of the ropeway system and advance the annual examination for this year.

The design, construction, installation, operation and maintenance of the Ngong Ping 360 ropeway are under the supervision of the Electrical and Mechanical Services Department (EMSD) in compliance with the Aerial Ropeways (Safety) Ordinance (Cap. 211). During the suspension period, the EMSD will monitor closely the progress of the repair work and tests of Ngong Ping 360. Approval for the resumption of cable car service will be contingent on satisfactory test results.

Besides, the Tourism Commission (TC) is working with relevant government departments, including the EMSD, the Transport Department, the Fire Services Department and the Hong Kong Police Force etc, in monitoring and assisting the management of Ngong Ping 360 Limited in completing the review of contingency measures, the communication mechanism with the travel trade and passengers in the event of service disruptions, as well as the notification arrangements of service suspension before the resumption of operation.

The TC and EMSD will carry out the above monitoring and review work with existing resources. No additional expenses will be incurred.

Signature	_____
Name in block letters	<u>Andrew HY WONG</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)</u>
Date	<u>29.2.2012</u>

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

Reply Serial No.

CEDB(CIT)010

Question Serial No.

0902

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 :

- (a) The paper stated that the reduced estimate for the programme concerned is mainly due to the anticipated decrease of cash flow requirement for the Mega Events Fund (MEF). Would the Administration explain the justifications for such anticipation?
- (b) Has the Administration reviewed the effectiveness of the MEF and its assessment mechanism for funding approval in 2010-11? If yes, what are the findings of the review? If not, would the Administration consider conducting such a review in 2012-13? If yes, what are the work plan and estimated expenditure? If not, what are the reasons?
- (c) The Administration will inject \$150 million into the MEF. Would the Administration explain the reasons and justifications for this proposed capital injection?

Asked by : Hon. CHAN Tanya

Reply :

- (a) The Mega Events Fund (MEF) was established in 2009, following funding approval of the Finance Committee of the Legislative Council (LegCo). Since its inception, six rounds of applications have been invited and a total sum of \$51.3 million has been granted to support 16 mega events. The three-year funding approved by LegCo will expire by the end of March 2012. The estimated expenditure for the MEF in 2012-13 is \$8.7 million. This amount is reserved for paying the outstanding balance in respect of those MEF supported events completed before the end of March 2012 and is therefore less than that in 2011-12.
- (b) The Tourism Commission (TC) has been monitoring the operation of the MEF from time to time, having regard to the experience accumulated since the Fund's inception. In 2011-12, the TC conducted a review on various aspects of the MEF using existing manpower and resources without incurring additional expenditure. The review findings are being considered together with the MEF Assessment Committee, with a view to studying ways to give the Fund more flexibility to facilitate its effective operation.

- (c) Hosting of internationally-acclaimed mega events in Hong Kong can attract more overseas visitors, help Hong Kong remain competitive among our neighbouring destinations, and reinforce our position as an events capital of Asia. Many of the MEF supported events have been well received by the public and tourists, generated considerable opportunities in many sectors such as retail, food and beverage, hotel, travel trade, etc., and created extensive publicity for Hong Kong. Some of these MEF supported events also have potential to become a permanent feature on our major events' calendar. In addition, the scale of some existing events has been enhanced significantly with the support of the MEF. Therefore, in his 2012-13 Budget, the Financial Secretary has proposed to allocate another \$150 million to the MEF and extend its operation for five years. The MEF Assessment Committee is studying ways of giving the MEF more flexibility to facilitate its effective operation. We wish to finalise detailed modus operandi of the new scheme and consult the Economic Development Panel of LegCo on the proposal as soon as possible. Our plan is to seek funding approval from the Finance Committee within this legislative year.

Signature	_____
Name in block letters	Andrew HY WONG
	Permanent Secretary for Commerce and Economic Development
Post Title	(Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)011

Question Serial No.

0535

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 regarding the continued support to further develop wine-related business in Hong Kong, including specific measures, manpower deployment and the expenditure required. Please also advise if the Administration has assessed the impact of the European debt crisis upon the local wine industry, such as the business volume of wine re-exports in the Asian region, and what complementary measures will be taken accordingly.

Asked by : Hon. CHEUNG Yu-yan, Tommy

Reply :

Details of our efforts in 2011-12 to support the development of wine-related businesses are given below -

- (a) trade and investment promotion: Invest Hong Kong (InvestHK), through its overseas offices, actively encouraged foreign wine companies to set up/expand business in Hong Kong, by advertising the relative advantages of Hong Kong as an ideal platform for tapping the Asian market (in particular the Mainland). We in the Commerce and Economic Development Bureau co-ordinated the promotion strategy of relevant agencies, namely the Hong Kong Trade Development Council (TDC), the Hong Kong Tourism Board (HKTB), and InvestHK. HKTB organised the third Wine and Dine Festival in late October 2011. This was followed by TDC's fourth Hong Kong International Wine and Spirits Fair in early November, the largest one of its kind in Asia.

According to the Census and Statistics Department, in the year 2010-11, over 200 companies with wine as their core business were newly established in Hong Kong. Wine-related businesses in Hong Kong continued to thrive in 2011. Wine imports reached \$9.7 billion, representing an increase of 40% relative to 2010. In 2011, Hong Kong also kept its title as the largest wine auction centre in the world, for two consecutive years. The total auction sales amounted to \$1.78 billion;

- (b) facilitating the movement of wine imports into the Mainland: in June 2010, we rolled out with the Mainland Customs facilitation measures for wines imported from Hong Kong. The measures include pre-valuation of duty whilst the wines are in Hong Kong and compression of clearance time at Mainland ports. The measures are being tried out in Shenzhen. So far, more than 40 Hong Kong companies have registered for participation in the scheme. We are now discussing with the Mainland on how to make the scheme more user-friendly, including extending the scheme beyond Shenzhen;
- (c) manpower training and education: the Government has been fostering close liaison between the industry and the training institutions, with a view to allowing the two sides to work together in assessing long-term manpower needs and in mapping out the best way for meeting such needs. Responding to rising demand and driven by market forces, public as well as private training institutions are enriching/expanding their wine appreciation courses and developing enhanced manpower training programmes.

For instance, the Vocational Training Council (VTC) has been expediting the launching of new wine-related courses and modules since 2009 and strengthening its partnership with overseas institutions. This enhances the training that VTC offers to personnel ranging from sommeliers to frontline catering staff. There are 1 900 places in the 2011-12 academic year, and the figure will grow to 2 200 in 2012-13. VTC will also establish an International Cuisine College in 2014. As part of our efforts to sustain the development of wine-related business in Hong Kong, the College is to provide training on food and wine pairing, wine appreciation and other wine-related matters.

We have also encouraged partnership between local and overseas training institutions through the co-operation agreements signed with our trading partners. For example, the School of Professional and Continuing Education of the University of Hong Kong partnered with a French institution to launch the first Master of Business Administration's programme in Hong Kong on wine. The programme seeks to nurture managers with a good understanding of the wine business environment. At present, a total of 50 places are offered under the programme. The first batch of students graduated in 2011;

- (d) wine storage: with the assistance of the Government, the Hong Kong Quality Assurance Agency launched a scheme for accrediting storage facilities in late 2009. At present, 32 facilities have been accredited. The scheme has been expanded to the retail/consumption and transportation sectors in 2011, covering the whole supply chain. According to our survey in 2011, the total floor area for wine storage run by the accredited companies has increased by 60%, relative to the capacity available before wine duty exemption. We are examining ways to further refine the scheme, with a view to attracting more Asian investors to store their investment-grade wines in Hong Kong;
- (e) combating counterfeit wine: the Customs and Excise Department (C&ED) has established a dedicated investigation team since August 2008 to tackle counterfeit wine. In October 2008, the Department formed an alliance with the industry for strengthening co-operation in intelligence collection and enhancing their capacity in monitoring market activities. In May 2011, they set up a specialist team under the alliance, drawing in experts to assist in enforcement against counterfeit wine. C&ED has also established a liaison network with overseas and Mainland enforcement agencies for the purpose of enhancing its capability in intercepting suspected counterfeit wine and verifying wine authenticity; and

- (f) up to 2011, we have signed co-operation agreements with 12 major wine-producing countries/regions, including France (and its Bordeaux and Burgundy regions), the USA (and its Washington and Oregon states), Portugal, Spain, Australia, Chile, Italy, Hungary and New Zealand to strengthen promotional activities in areas including wine-related trade, investment and tourism, etc..

In 2011, the local government in Burgundy organised a large-scale wine promotion event in Hong Kong for the first time. Italy was the partner country for TDC's International Wine and Spirits Fair. For our co-operation agreement with Bordeaux, we signed a supplementary agreement with them in 2011 for the purpose of strengthening our collaborations in the Wine and Dine Festival. Bordeaux would endeavour to bring more wine and food traders to the event.

In 2012-13, the Government will continue to roll forward and keep up the momentum of our work, for the purpose of sustaining the development of wine-related businesses.

We coped with the workload arising from the implementation of the above measures through re-deployment of existing resources. The related expenditure was subsumed under the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately. Other than that, the main expenses went to two key wine-related promotion events. They were the Hong Kong Wine and Dine Festival organised by HKTB and the Hong Kong International Wine and Spirits Fair staged by TDC. The costs were recovered through government subvention, charging of fees or commercial sponsorship.

Apart from implementing various support measures, we have been keeping an eye on the market. Despite uncertainties about the economic environment, the industry is generally upbeat about the prospects of wine-related business. According to Vinexpo's market survey which was released this month, Asia would account for more than half of the growth in wine consumption worldwide between 2011 and 2015; the consumption of wines in Mainland China (including Hong Kong) will grow by 54.2%. We will continue to keep changes in market conditions under close monitoring.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)012

Question Serial No.

0536

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 were the number of persons engaged in wine-related business and its increase for the past three years respectively? What wine-related courses were offered in Hong Kong and how many places were available during the same period? What are the projected figures for 2012-13? How would the Administration assess the effectiveness of training resources currently provided in meeting the long-term manpower needs of the industry and enhancing the competitive edge of those in the business to strengthen Hong Kong's position as a wine distribution hub?

Asked by : Hon. CHEUNG Yu-yan, Tommy

Reply :

The Government carried out a survey in 2010 to understand the manpower and training situation in the wine industry. According to the survey, in 2008 and 2009, the number of persons engaged in wine-related businesses (including wine trading, retailing, warehousing, catering and transportation, etc.) has increased by more than 5 000, bringing the total to nearly 40 000 by the end of 2009. The increase is equivalent to about 1 000 full-time jobs. We did not conduct a similar survey in 2011. Nonetheless, according to industry feedback, we believe that the employment figure continues to rise.

As regards training courses, the above survey also indicates that the number of wine-related manpower and professional courses (including sommelier and bar tending training as well as wine business/management courses, etc.) grew from 21 in 2007 to 86 in 2009. The number of participants in these courses exceeded 8 500 in 2009, representing an increase of more than 200% compared with about 2 400 participants in 2007.

The Government has been fostering close liaison between the industry and the training institutions, with a view to allowing the two sides to work together in assessing long-term manpower needs and in mapping out the best way for meeting such needs. Responding to rising demand and driven by market forces, public as well as private training institutions are enriching/expanding their wine appreciation courses and developing enhanced manpower training programmes.

For instance, the Vocational Training Council (VTC) has been expediting the launching of new wine-related courses and modules since 2009 and strengthening its partnership with overseas institutions. This enhances the training that VTC offers to personnel ranging from sommeliers to frontline catering staff. There are 1 900 places in the 2011-12 academic year, and the figure will grow to 2 200 in 2012-13. VTC will also establish an International Cuisine College in 2014. As part of our efforts to sustain the development of wine-related business in Hong Kong, the College is to provide training on food and wine pairing, wine appreciation and other wine-related matters.

We have also encouraged partnership between local and overseas training institutions through the co-operation agreements signed with our trading partners. For example, the School of Professional and Continuing Education of the University of Hong Kong partnered with a French institution to launch the first Master of Business Administration's programme in Hong Kong on wine. The programme seeks to nurture managers with a good understanding of the wine business environment. At present, a total of 50 places are offered under the programme. The first batch of students graduated in 2011.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)013

Question Serial No.

0537

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 list out with a breakdown by sector the number of cases and the success rate of application for the SME Financing Guarantee Scheme in the past year. What is the total guarantee amount and the average time needed for approving an application? What is the expected number of applications and total guarantee amount within the 9 months after the introduction of new concessionary measures?

Asked by : Hon. Tommy CHEUNG Yu-yan

Reply :

The Hong Kong Mortgage Corporation Limited (HKMC) introduced a market-oriented and sustainable Small and Medium Enterprises (SME) Financing Guarantee Scheme (SFGS) on 1 January 2011. The Scheme facilitates SMEs in obtaining finance from banks and helps reduce banks' lending risks, thereby contributing to the stability of our banking system. As at 31 January 2012, HKMC has received 250 applications and approved 246 applications under the SFGS, involving a total loan amount of around \$840 million and a total guarantee amount of around \$560 million. The remaining applications are under processing. A breakdown of the SFGS applications approved as at 31 January 2012 by sector is set out in the table below -

Industry Sector	No. of applications approved	%
Manufacturing	54	21.09%
<i>Textiles and garments</i>	11	4.30%
<i>Electronics</i>	6	2.34%
<i>Metal products</i>	5	1.95%
<i>Bags and accessories</i>	4	1.56%
<i>Others</i>	28	10.94%

Industry Sector	No. of applications approved	%
Non-manufacturing	202	78.91%
<i>Trading</i>	138	53.91%
<i>Wholesale and retail</i>	26	10.16%
<i>Transportation and logistics</i>	8	3.13%
<i>Construction</i>	4	1.56%
<i>Engineering</i>	4	1.56%
<i>Others</i>	22	8.59%
Total	256 *	100%

* Of 246 approved applications, the applicants of 10 applications are engaged in more than one industry sectors.

SFGS is administered in accordance with prudent commercial practices. All guarantee applications approved should meet the requirements for obtaining a guarantee under the SFGS and should be supported by relevant documents. In general, HKMC would notify the lending institutions of the result of the applications in writing in about three working days upon receipt of complete information from the lending institutions.

Given the fluctuations in the external economic environment, SMEs may have to face financing difficulties as a result of a credit crunch. To help SMEs, the Financial Secretary proposed in the 2012-13 Budget to introduce special time-limited concessionary measures under the existing SFGS. Under the measures, the loan guarantee ratio will be increased from the existing ceiling of 70% to 80%, and the guarantee fee will be reduced substantially. The application period will last for nine months. The Government will provide a total guarantee commitment of \$100 billion for the special concessionary measures. As the number of applications and the total guarantee amount involved will be affected by a number of factors, including the prevailing economic situation and the demand from the market, we are unable to provide relevant estimates at this moment.

Signature _____
Name in block letters Andrew HY WONG
Post Title Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)
Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)014

Question Serial No.

2688

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 regard to the housekeeping responsibility for the Ocean Park, will the Government inform this Committee of the expenditure for the purchase of marine species by the Ocean Park in 2011-12; and of the provision earmarked for the housekeeping for the Ocean Park in 2012-13?

Asked by : Hon. EU Yuet-mee, Audrey

Reply :

Overseeing the operation of the Ocean Park is one of the tasks of the Tourism Commission, the expenditure on which has been subsumed into the provision for 2012-13 for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately.

In 2011-12, the Ocean Park spent a total of \$4.3 million on the purchase of marine species.

Signature _____

Name in block letters **Andrew HY WONG** _____

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

Date 29.2.2012 _____

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

Reply Serial No.

CEDB(CIT)015

Question Serial No.

2692

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 “promoting nature-based tourism products in Hong Kong, including the Hong Kong Global Geopark of China”, will the Administration advise on the details of promotion plans and publicity strategies for the Hong Kong Global Geopark of China, the expected economic benefits, the projected number of visitors that will be drawn to Hong Kong and the provision earmarked for park conservation in daily operations in 2012-13?

Asked by : Hon. EU Yuet-mee, Audrey

Reply :

The Tourism Commission (TC) is partnering with the Agriculture, Fisheries and Conservation Department (AFCD) and the Hong Kong Tourism Board (HKTB) in promoting nature-based green tourism products, including the Hong Kong Global Geopark of China (the Geopark), via HKTB’s marketing platform “Great Outdoors Hong Kong!”. In 2012-13, the HKTB will implement the following initiatives to promote green tourism products:

Promotions targeting visitors

- To promote green tourism products, including those featuring the Geopark, which are operated by local travel agents to inbound visitors through various channels such as HKTB’s website, visitor centres and guide books.
- To organise complimentary guided tours in November under the “Great Outdoors Hong Kong!” programme by taking visitors to see the landforms at the Geopark.
- To encourage individual visitors to explore the Geopark via the “Great Outdoors Hong Kong!” thematic website and complimentary guidebook.
- To arrange different media organisations from target source markets to visit and feature the Geopark in their TV programmes or publish articles which showcase the Geopark.

Promotions targeting overseas trade

- To introduce the Geopark by display boards at travel fairs and road shows in target source markets; and to distribute recommended itineraries and information on the Geopark to the overseas trade for reference for developing new tourism products.
- To invite overseas trade partners specialising in green tourism to visit the Geopark for themselves, and encourage them to include the Geopark itineraries in their products and promote them to nature lovers.

Meanwhile, the TC is exploring with the HKTB, the travel trade and relevant departments on how to facilitate tourists to visit the Geopark, including launching a pilot scheme to allow coaches to transport inbound visitors to and from the East Dam of the High Island Reservoir on a limited scale, with a view to promoting nature-based tourists' activities.

The AFCD expects that over 1.5 million residents and tourists will visit the Geopark and its associated facilities in 2012-13. Promotion of the Geopark and other natural attractions will entice nature lovers to visit Hong Kong. Their spending in Hong Kong will bring us economic benefits, which are nevertheless difficult to quantify.

In 2012-13, the AFCD has earmarked \$29.2 million under Head 22 Programme (2) Nature Conservation and Country Parks for the management and operation of the Geopark.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)016

Question Serial No.

0683

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 the 2012-13 Budget Speech, the Financial Secretary revealed that the terminal building and the first berth of the Kai Tak new cruise terminal were expected to start operation in mid-2013. In this connection, will the Commerce and Economic Development Bureau, in collaboration with the Hong Kong Tourism Board, step up efforts in promoting Hong Kong as a cruise destination in the coming year? If yes, what is the estimated expenditure?

Asked by : Hon. HO Chung-tai, Raymond

Reply :

In the coming year, the Tourism Commission of the Commerce and Economic Development Bureau will continue to work closely with the Hong Kong Tourism Board (HKTB) and the travel trade on strengthening the promotion of Hong Kong as a cruise destination and driving market demand for cruise travel.

The HKTB's budget for cruise promotion in 2012-13 is estimated at \$15.5 million.

Signature _____

Name in block letters Andrew HY WONG

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

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)017

Question Serial No.

0684

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 :

Members of the tourism industry revealed recently that the number of Mainland visitors coming to Hong Kong during the Chinese New Year holidays increased by about 3% to 4%, while that of overseas visitors decreased by 2% to 3%. The situation has aroused concern. On promoting Hong Kong as a tourist destination to markets other than the Mainland, will the Hong Kong Tourism Board increase the estimated expenditure in 2012-13 as compared with the last two financial years (2010-11 and 2011-12)? Please provide year-on-year figures for the above three years.

Asked by : Hon. HO Chung-tai, Raymond

Reply :

The performance of Hong Kong's tourism industry was steady during the 2012 Chinese New Year holiday. According to the Immigration Department's statistics, Mainland visitor arrivals increased by 6.6% while non-Mainland visitor arrivals increased by 1.7% during the 2012 Chinese New Year Golden Week (i.e. 22 January – 28 January 2012), as compared to the equivalent period of 2011 Chinese New Year Golden Week (i.e. 2 February – 8 February 2011).

In 2012-13, the Hong Kong Tourism Board (HKTB) plans to invest \$182.5 million in its promotional activities for 20 key source markets around the world. Of this amount, 70% or \$127.4 million will be invested in markets other than the Mainland, which is 4% higher than the revised estimate of 2011-12 and 13% higher than the actual expenditure of 2010-11. The actual expenditure and proposed budget for the Mainland and non-Mainland markets in the three aforementioned financial years are as follows:

	2010-11 Actual Expenditure (HK\$ million)	2011-12 Revised Estimate (HK\$ million)	2012-13 Proposed Budget (HK\$ million)
Mainland China	58.9	53.4	55.1
Non-Mainland Markets	112.5	122.4	127.4
Total	171.4	175.8	182.5

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

Signature _____
Name in block letters Andrew HY WONG
Post Title Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)
Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)018

Question Serial No.

0685

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 recent years, the Hong Kong Tourism Board has been refining its multi-destination strategies with focus on multi-destination itinerary and product development with Pan-Pearl River Delta cities. Were any of the related promotional campaigns launched in collaboration with mainland cities? If yes, please breakdown their number and expenditure by year for the past two financial years (2010-11 and 2011-12). What is the projected number and estimated expenditure for the financial year 2012-13?

Asked by : Hon. HO Chung-tai, Raymond

Reply :

The Hong Kong Tourism Board has been co-operating with various Mainland cities (especially those in the Pan-Pearl River Delta area) and Macao in promoting multi-destination itineraries. Major collaborative activities include joining hands with the Mainland and Macao travel trade as well as their tourism administrations to attend large-scale travel trade shows in visitor source markets, organising travel missions, seminars and road shows, launching tactical promotions, arranging familiarisation tours to Hong Kong, the Mainland and Macao for overseas trade, as well as devising tourism products and itineraries featuring the tourism strengths of Hong Kong, Mainland cities and Macao.

The number of multi-destination promotional campaigns launched in collaboration with Mainland cities and Macao between 2010-11 and 2012-13, and the associated actual/estimated expenditure are as follows –

	Number of joint promotional campaigns	Expenditure (HK\$)
2010-11	40	Approximately 15.6 million (Actual Expenditure) (including 5.2 million used in overseas markets and the Mainland for promoting multi-destination itineraries featuring the Shanghai World Expo)
2011-12	39	Approximately 6.8 million (Revised Estimates)
2012-13	44	Approximately 7.2 million (Proposed Budget)

Signature _____
Name in block letters Andrew HY WONG
Permanent Secretary for Commerce and
Economic Development
Post Title (Commerce, Industry and Tourism)
Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)019

Question Serial No.

2102

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 (if any) commissioned by the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) and its departments for the purpose of formulating and assessing policies, please provide information in the following format.

(a) Using the table below, please provide information on studies on public policy and strategic public policy for which funds had been allocated between 2009-10 and 2011-12:

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If so, through what channels? If not, why?

(b) Are there any projects for which funds have been reserved for conducting consultancy studies in 2012-13? If yes, please provide the following information:

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	For the projects that are expected to be completed in 2012-13, is there any plan to make them public? If so, through what channels? If not, why?

(c) What are the criteria for considering the award of consultancy projects to the research institutions concerned?

Asked by : Hon. HO Sau-lan, Cyd

Reply :

- (a) The studies on public policy and strategic public policy conducted during the period from 2009-10 to 2011-12 are listed below:

2009-10:

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If so, through what channels? If not, why?
Arthur D. Little Asia Pacific Ltd.	Tender	Consultancy study on the 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 had made 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 was 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)	Tender	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	With reference to the advice of the consultant, the Government had prepared the Competition Bill	Not applicable

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If so, through what channels? If not, why?
PricewaterhouseCoopers Limited	Tender	<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</p> <p>(continuing the consultancy study in 2008-09)</p>	1,120,000	October 2007	Completed in April 2009	<p>InvestHK had worked out a workplan to implement some of the key recommendations made in the consultancy study report, with a view to strengthening its work on inward investment promotion.</p> <p>The Panel on Commerce and Industry of the Legislative Council was briefed in January 2010 on the key findings and recommendations made by the consultant.</p>	Details and recommendations of the consultancy study report were reported to the Commerce and Industry Panel of the Legislative Council on 19 January 2010.
Evans & Peck (HK) Co Ltd	Tender	<p>To assess the commercial and financial viability of the conceptual design of the Aberdeen Tourism Project</p> <p>(the consultancy study was completed in 2008-09 and the outstanding fee was settled in 2009-10)</p>	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 launching the improvement works at Aberdeen promenade.	Executive summary of the consultancy report had been uploaded onto Tourism Commission's homepage.

2010-11:

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If so, through what channels? If not, why?
King & Wood, Gilbert + Tobin	Tender	<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</p> <p>(continuing the consultancy study in 2009-10)</p>	1,065,000	June 2007	In progress	The Government had completed drafting the Competition Bill with reference to the advice of the consultant. The Bill is now under the scrutiny of the Bills Committee.	Not applicable

2011-12:

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If so, through what channels? If not, why?
King & Wood, Gilbert + Tobin	Tender	<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</p> <p>(continuing the consultancy study in 2010-11)</p>	651,000	June 2007	In progress	With the advice and research support by the consultant, the Government continues to work closely with the Bills Committee in its scrutiny of the Competition Bill.	Not applicable

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If so, through what channels? If not, why?
M&L Associates Ltd.	Tender	<p>Consultancy on Technical Measures Against Copyright Piracy in the Digital Environment</p> <p>To study and assess the effectiveness of technical measures that are being used or tried out overseas for curtailing copyright piracy in the digital environment, and identify the key considerations including cost implications if these measures were to be introduced in Hong Kong</p>	About 220,000	March 2012	In progress	Not applicable	Not applicable
Scott Wilson Ltd.	Tender	<p>Business viability study for the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market</p> <p>To examine the business and financial viability of the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market</p>	961,200	December 2011	In progress	The Government will make reference to the results of the consultancy study when considering the viability of developing dining and tourist facilities at/near the Aberdeen Wholesale Fish Market.	Not applicable

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If so, through what channels? If not, why?
(Tender exercise is in progress)	Tender	<p>Appointment of financial consultant for assessment of proposals and related matters in connection with the Tai Shue Wan redevelopment at Ocean Park</p> <p>To provide consultancy services advising on financial, business, economic, financing arrangement and other relevant aspects for the Tai Shue Wan redevelopment at the Ocean Park</p>	About 600,000	Expected to commence by early March 2012	Tender exercise is in progress	The Government will make reference to the results of the consultancy study when examining the Tai Shue Wan redevelopment.	Not applicable

(b) Provision has been allocated for conducting the following consultancy studies in 2012-13:

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	For the projects that are expected to be completed in 2012-13, is there any plan to make them public? If so, through what channels? If not, why?
Arthur D. Little Asia Pacific Ltd.	Tender	Consultancy study on the future demand and supply of Hong Kong's exhibition facilities (2012)	800,000	February 2012	In progress	The result of the consultancy study will be for Government's internal reference at this stage.
King & Wood, Gilbert + Tobin	Tender	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 2011-12)	3,443,000	June 2007	In progress	Not applicable
M&L Associates Ltd.	Tender	Consultancy on Technical Measures Against Copyright Piracy in the Digital Environment To study and assess the effectiveness of technical measures that are being used or tried out overseas for curtailing copyright piracy in the digital environment, and identify the key considerations including cost implications if these measures were to be introduced in Hong Kong (continuing the consultancy study in 2011-12)	730,000	March 2012	In progress	The result of the study is intended for Government's internal reference at this stage.

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	For the projects that are expected to be completed in 2012-13, is there any plan to make them public? If so, through what channels? If not, why?
Scott Wilson Ltd.	Tender	<p>Business viability study for the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market</p> <p>To examine the business and financial viability of the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market</p> <p>(continuing the consultancy study in 2011-12)</p>	106,800	December 2011	In progress	The advice from the consultant is for Government's internal consideration.
(Tender exercise is in progress)	Tender	<p>Appointment of financial consultant for assessment of proposals and related matters in connection with the Tai Shue Wan redevelopment at Ocean Park</p> <p>To provide consultancy services advising on financial, business, economic, financing arrangement and other relevant aspects for the Tai Shue Wan redevelopment at the Ocean Park</p> <p>(continuing the consultancy study in 2011-12)</p>	About 600,000	Expected to commence by early March 2012	Tender exercise is in progress	The advice from the consultant is for Government's internal consideration.

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	For the projects that are expected to be completed in 2012-13, is there any plan to make them public? If so, through what channels? If not, why?
(Tender exercise will be launched)	Tender	Consultancy study to identify suitable international mega events to be introduced into Hong Kong under the Mega Events Fund's new system	About 1,000,000	First half of 2012	Under planning	The advice from the consultant is for Government's internal consideration.

- (c) The criteria in considering the award of the consultancy contracts include the tender price, the service quality, qualification, relevant experience, reputation and expertise of the consultants, as well as the proposed methodology and work plan, and cost-effectiveness of the proposals, etc.

Signature _____

Name in block letters Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title (Commerce, Industry and Tourism)

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)020

Question Serial No.

2106

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 regard to the growing co-operation between Hong Kong and the Mainland in recent years, please provide relevant information on Hong Kong/Mainland cross-boundary projects or programmes in which the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) is or has been involved.

(a) For Hong Kong/Mainland cross-boundary projects or programmes from 2009-10 to 2011-12, please provide information in the following format :

Project / Programme title	Details, objective and whether it is related to the Framework Agreement on Hong Kong /Guangdong Co-operation (the Framework Agreement)	Expenditure involved	Name of Mainland department/ organisation involved	Progress (% completed, start date, anticipated completion date)	Have the details, objective, amount involved or impact on the public, society, culture and ecology been released to the public? If yes, through which channels and what were the manpower and expenditure involved? If no, what are the reasons?

(b) For Hong Kong/Mainland cross-boundary projects or programmes from 2012-13, please provide information in the following format :

Project / Programme title	Details, objective and whether it is related to the Framework Agreement	Expenditure involved	Name of Mainland department/ organisation involved	Progress (% completed, start date, anticipated completion date)	Will the details, objective, amount involved or impact on the public, society, culture and ecology be released to the public? If yes, through which channels and what will be the manpower and expenditure involved? If no, what are the reasons

(c) Apart from the projects or programmes listed above, are there any other modes of cross-boundary cooperation? If yes, what are they? What were the manpower and expenditure involved in the past 3 years, and how much financial and manpower resources are earmarked in the 2012-13 Estimates.

Asked by : Hon. HO Sau-lan, Cyd

Reply :

To foster our trading ties with the Mainland is an important policy aim of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch). Cross-boundary co-operation / exchange with the Mainland is part of our regular work. Due to the wide scope of work, it is difficult to provide a simple breakdown by year and category.

Under Programme (2) Commerce and Industry, major Hong Kong and Mainland cross-boundary co-operation / exchange undertaken by our Bureau, departments and relevant organisations, which supports the implementation of the “Hong Kong-Guangdong Co-operation Framework Agreement”, includes the following areas –

Scope of Work	Progress	Relevant Documents issued to the LegCo by the Administration
Closer Economic Partnership Arrangement (CEPA)	Following the signing of the main text of CEPA in 2003, the two sides have reached agreement on eight Supplements. All goods of Hong Kong origin importing into the Mainland enjoy tariff free treatment, upon applications by local manufacturers and upon the relevant CEPA rules of origin being met. Moreover, Hong Kong service suppliers can enjoy preferential access in 47 service areas in the Mainland market.	The LegCo Panel paper no. CB(1)623/11-12(01) “The Mainland and Hong Kong Closer Economic Partnership Arrangement” issued in December 2011.

Scope of Work	Progress	Relevant Documents issued to the LegCo by the Administration
	<p>The Government attaches great importance to the effective implementation of CEPA. We have been liaising closely with the Mainland authorities at central, provincial and municipal levels to work towards the effective implementation of CEPA.</p>	
<p>To assist Hong Kong enterprises in the Mainland in upgrading and restructuring</p>	<p>The work under this area includes the following –</p> <ul style="list-style-type: none"> • 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; and 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 convey to and discuss with them the trade’s views and proposed measures; • disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities like symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade’s understanding of Mainland’s new policies, legislation and the business environment. TID’s website includes a dedicated page on business information on the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to trade-related information on the Mainland; • organising promotional activities and trade fairs through the Hong Kong Trade Development Council (HKTDC), and organising delegations to visit the Mainland with a view to enhancing the trade’s understanding of Mainland policies and market development; 	<p>The LegCo Panel paper no. CB(1)1531/10-11(05) “Trade relations between the Mainland and Hong Kong and Hong Kong/Guangdong Co-operation Joint Conference in relation to commerce and industry between the two places” issued in March 2011.</p>

Scope of Work	Progress	Relevant Documents issued to the LegCo by the Administration
	<ul style="list-style-type: none"> • providing Hong Kong enterprises with support services on technological upgrading, management improvement, branding and market development, etc., and also Mainland market information through the HKTDC and the Hong Kong Productivity Council; and • with regard to financial support, assisting small and medium enterprises (SMEs) through the “SME Funding Schemes” of TID in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, restructuring and business relocation. <p>To support Hong Kong enterprises, in particular SMEs, to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011-12 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland. We have consulted the trade earlier and are finalising the operation details of the fund. We plan to seek funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid 2012.</p>	
Investment Promotion	Invest Hong Kong (InvestHK) will proactively reach out to Mainland companies and encourage them to set up or expand their business in Hong Kong through organising promotional programmes, seminars, exhibitions, conducting investment promotion visits and receiving incoming delegations from the Mainland.	The LegCo Panel paper no. CB(1)1077/11-12(03) “Promotion of inward investment” issued in February 2012. (Note: including InvestHK’s work relating to the Mainland)

Scope of Work	Progress	Relevant Documents issued to the LegCo by the Administration
	<p>The Mainland is a priority market of InvestHK. As at end of 2011, InvestHK has completed a total of 389 projects from the Mainland. In collaboration with the Mainland provinces and cities, InvestHK has staged joint promotion seminars in overseas markets since 2002 to promote the combined advantages of Hong Kong and the Mainland, in particular the Pearl River Delta region.</p>	
<p>Tourism</p>	<p>Hong Kong and the Mainland have all along maintained close contact on tourism development at government and trade levels. The Tourism Commission has established regular exchange mechanisms with the Mainland tourism authorities, such as the China National Tourism Administration and the Guangdong Provincial Tourism Administration, to discuss issues of mutual concern.</p> <p>The Hong Kong Tourism Board (HKTB) will continue to co-operate with the Mainland cities (especially the cities in the Pan-Pearl River Delta region) and Macao to promote “multi-destination itineraries”. Furthermore, the HKTB has been working with travel agents from 28 cities in the Mainland to promote “Quality and Honest Hong Kong Tour” products. At the same time, the HKTB has also been co-operating with major Mainland online travel portals to set up online counters with country-wide coverage promoting “Quality and Honest Hong Kong Tour”.</p>	<p>The LegCo Panel paper no. CB(1)2301/09-10(05) “Framework Agreement on Hong Kong/Guangdong Co-operation – Tourism Co-operation” issued in June 2010.</p> <p>The LegCo Panel paper no. CB(1)808/11-12(03) “Hong Kong Tourism Board Work Plan for 2012-2013” issued in January 2012. (Note: including HKTB’s promotional efforts in the Mainland)</p>

The work to promote the co-operation between the two places is on-going work, and the manpower and expenditure in relation to the relevant work have been subsumed into the establishment and provisions of the Bureau and relevant departments and organisations. It is difficult to quantify them separately.

Signature _____

Name in block letters Andrew HY WONG

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

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)021

Question Serial No.

0931

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 :

- (a) The Administration's estimated provision under this programme for 2012-13 is about \$90.6 million, representing an increase of 51.8% over the original estimate for 2011-12. Please advise the Committee of the reasons for the increase.
- (b) How much of such increase will be used for studies on competition policy and the Competition Bill? Please give details on the expenditure items.

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

Reply :

Provision in the original estimate for Programme (4) in 2011-12 was earmarked mainly for the preparatory work relating to the Competition Commission (the Commission), in view of the possibility of enacting the Competition Bill (the Bill) in the later part of 2011-12. For 2012-13, we have earmarked \$80.7 million. The increase over the provision in 2011-12 is to cater for the establishment and operation of the Commission in 2012-13 should the Bill be enacted within the same year. It caters for the recruitment and employment of the Commission's staff, the leasing of the Commission's office accommodation, and research and promotional work of the Commission. The actual expenditure and work plan will depend on the legislative progress of the Bill.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)022

Question Serial No.

1156

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 and cooperation between the Hong Kong Tourism Board (HKTB) and the Tourism Commission (TC), will the Administration advise the Committee of the following:

- (a) What were the expenditures incurred by the TC and the HKTB and the respective manpower involved in 2011-12? Has the Administration ever made an estimation on the receipts from the above-mentioned initiatives?
- (b) What are the estimated expenditures to be incurred by the TC and the HKTB respectively and their receipts in 2012-13?
- (c) Does the Administration have in place a detailed plan and guidelines for enhancing the cooperation and development of the TC, the HKTB and the Travel Industry Council of Hong Kong? If yes, what are the details and the expenditures and manpower involved? If not, what are the reasons?

Asked by : Hon. IP Wai-ming

Reply :

- (a)-(b) The Tourism Commission (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 (HKTB) and the Travel Industry Council of Hong Kong (TIC). The revised estimated expenditure of TC in 2011-12 and its estimated expenditure in 2012-13 are \$136.3 million and \$118.1 million respectively. The staff establishment in both financial years is 65.

The HKTB is a statutory body established in 2001 under the Hong Kong Tourism Board Ordinance. Its core function is to promote Hong Kong globally as a leading international city in Asia and a world class tourist destination. In 2011-12, the HKTB's total marketing and operating expenditure (revised estimate) is \$573.3 million^{Note}, and the total number of established posts in its Head Office and Worldwide Offices is 336. In 2012-13, the total estimated expenditure is \$585.8 million^{Note}, with 338 established posts.

The TC maintains close liaison and collaboration with the HKTB as well as related organisations in the tourism sector. The Board of the HKTB comprises members from different industries and sectors, with the Commissioner for Tourism being the Deputy Chairman. The HKTB is required to submit its annual work plan and estimates of income and expenditure to the Secretary for Commerce and Economic Development for approval under section 17B of the Hong Kong Tourism Board Ordinance.

All of the HKTB's initiatives, including the launching of promotional campaigns in visitor source markets, staging of mega events and introduction of new travel itineraries, are targeted at consolidating Hong Kong's position as a premier travel destination and encouraging more visitors to visit and spend in Hong Kong, thereby generating greater benefits for the Hong Kong economy. Each year, the HKTB would project the performance of Hong Kong's tourism industry, including visitor arrivals and total expenditure associated with inbound tourism (TEAIT), following a systematic and structured forecasting process which not only takes into account various factors of the macro environment, as well as analysis and projections by international organisations, but also makes detailed assessment of the global and regional socio-economic conditions, travel-related policies, tourism trends and patterns of key source markets. For the year 2012, the HKTB projects that visitor arrivals to Hong Kong will increase by 5.5% to 44.23 million, while the TEAIT will increase by 6.4% to \$269.13 billion.

- (c) The TC, HKTB and TIC have been maintaining close liaison and co-operation on tourism development and promotion. To enhance the effectiveness of the promotion work of HKTB and meet the needs of the travel trade, the HKTB will, through the TIC, further strengthen its communication with the trade on its promotion and publicity work, and to enhance the trade's participation in its promotional activities. The co-operation work will be carried out with existing resources. No additional expenses will be incurred.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

^{Note} The HKTB's activities are primarily funded by the Government. In 2011-2012 and 2012-13, the total Government subvention to the HKTB amounts to \$521.5 million and \$544.1 million respectively. Since 2008-2009, the Government has earmarked \$30 million every year to the HKTB until 2012-2013 to provide one-stop support for MICE (meetings, incentives, conventions and exhibitions) events, assist in bidding for prestigious MICE events, generate attendance and promote cross-selling of tourism products.

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

Reply Serial No.

CEDB(CIT)023

Question Serial No.

1157

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 :

With regard to the Mega Events Fund, please advise on the following:

- (a) How will the additional \$150 million earmarked for the Fund in the coming year be allocated among the three types of mega events, namely large-scale arts, culture and sports events? 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 2012-13? What is the expenditure involved? What are the expected economic benefits?

Asked by : Hon. IP Wai-ming

Reply :

- (a) In his 2012-13 Budget, the Financial Secretary has proposed to allocate another \$150 million to the Mega Events Fund (MEF) and extend its operation for five years. The MEF Assessment Committee is studying ways of giving the MEF more flexibility to facilitate its effective operation. We wish to finalise detailed modus operandi of the new scheme and consult the Economic Development Panel of the Legislative Council on the proposal as soon as possible. Our plan is to seek funding approval from the Finance Committee within this legislative year.

The number of mega events to be supported, as well as their nature and funding amount etc. will depend on the number of applications received and how many of them can successfully pass the assessment.

It is envisaged that events to be supported by the MEF in the next five years will attract more visitors to Hong Kong, stimulate spending and create employment. According to past experience, it is estimated that the MEF supported events can create over 15 000 jobs over the next five years. Mega events can also generate considerable benefits in many sectors such as retail, food and beverage, hotel, travel trade, etc., and bring about extensive publicity for Hong Kong.

- (b) The MEF has a strict and open assessment mechanism. Successful applications must fulfil certain basic criteria. For instance, the proposed event must be an arts, cultural or sports event; the organiser(s) must be local non-profit-making organisation(s); and the number of participants in the proposed event must exceed 10 000. To pass the assessment, the proposed event is also required to attain passing marks for each of the assessment criteria including economic benefits, publicity benefits, scale of the event, technical and financial feasibility, as well as the applicants' event management capabilities etc. The MEF Assessment Committee has been assessing each of the applications carefully in accordance with the open assessment mechanism. Applications failing to meet any of the assessment criteria will be rejected.

The funding amount for each supported event varies. The MEF Assessment Committee will consider a number of factors such as the event's content, scale, duration, venue requirements, budget, other funding sources (such as commercial sponsorships and box office income) as well as the capability of the organiser(s), etc.. The Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) will determine the amount of funding for each selected application with reference to the MEF Assessment Committee's recommendation. To attract mega events to be staged in Hong Kong, there is no funding ceiling for each selected event except that the funding amount cannot exceed 50% of the total event's cost.

- (c) The number of mega events to be supported in 2012-13, as well as their nature and funding amount etc. will depend on the number of applications received and how many of them can successfully pass the assessment.

The estimated expenditure for the MEF in 2012-13 is \$8.7 million. This amount is reserved for paying the outstanding balance in respect of those MEF supported events completed before the end of March 2012 and is therefore less than that in 2011-12. After deducting this amount, the remaining balance of the MEF (around \$40 million) will lapse automatically.

The economic benefits to be generated by the MEF supported events in the coming year will depend on the number and nature of these events.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)024

Question Serial No.

1158

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

Programme : (6) 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 will continue its promotion work in key source markets and expand its marketing efforts in emerging markets to attract visitors. In this regard, please inform this Committee:

- (a) the places where the Administration has promoted Hong Kong's tourist attractions in 2011 and the expenditures involved;
- (b) the channels through which the Administration intends to promote Hong Kong's tourist attractions, the estimated expenditure involved and the targets of promotion;
- (c) the details of the Administration's plans to cooperate with leading international and regional TV channels in the coming year and the estimated expenditures involved.

Asked by : Hon. IP Wai-ming

Reply :

- (a) - (b) In 2011-12, the Hong Kong Tourism Board (HKTB) launched promotional activities in 20 key source markets around the world. In 2012-13, HKTB will maintain a diverse marketing portfolio while focusing on these 20 markets in attracting visitors to Hong Kong.

Targeting at the high potential visitor segments in different markets, such as family and young visitors in short-haul markets and senior citizens in long-haul ones, HKTB will devise marketing strategies and campaigns catering for the interests of different visitor segments. In addition to working with airlines and travel agencies in developing and launching tactical promotion of travel packages in various themes, HKTB will raise Hong Kong's profile through various channels such as television, radio, publications, as well as public relations and media activities. In recent years, HKTB has also strengthened the use of digital channels including the Internet, online sharing sites, social media and smartphone applications to publicise Hong Kong.

The marketing expenditure of HKTB in the 20 key visitor source markets in 2011-12 (revised estimate) and the proposed budget in 2012-13 are as follows:

	2011-12 Revised Estimate (HK\$ million)	2012-13 Proposed Budget (HK\$ million)
<i>Mainland China – Total</i>	53.4	55.1
<i>Short-haul Markets – Total</i>	46.0	51.1
Japan	14.1	13.7
Taiwan	11.0	11.7
South Korea	9.7	11.3
Singapore	2.6	3.7
The Philippines	3.0	3.5
Malaysia	2.5	2.8
Indonesia	1.0	2.3
Thailand	2.1	2.1
<i>Long-haul Markets – Total</i>	51.1	43.4
The US	17.3	15.6
Australia	10.5	10.2
The UK	12.3	7.1
Canada	4.5	4.0
Germany	3.5	3.5
France	3.1	3.0
<i>Emerging Markets – Total</i>	22.9	30.9
India	10.7	12.5
Russia	4.5	6.5
The Middle East	3.8	5.6
Vietnam	2.3	3.5
The Netherlands	1.6	2.8
<i>Non-key Markets & Exchange Reserve</i>	2.4	2.0
Total Estimated Marketing Budget for Source Markets	175.8	182.5

Remark: Due to rounding, the total may differ from the sum of individual figures.

- (c) In 2012-13, HKTB will produce and distribute video news releases of HKTB's mega events, such as the Dragon Boat Carnival and the Wine and Dine Festival, as well as unique local festivities in Hong Kong to news channels of TV networks worldwide. In addition, HKTB will invite popular international and regional TV channels, such as CNN, Discovery Channel, National Geographic, CNBC, BBC World and Travel Channel, to cover the diverse tourism offerings of Hong Kong. HKTB will also pitch international production companies to film their food and lifestyle programmes in Hong Kong, so as to increase worldwide exposure for Hong Kong.

In 2012-13, HKTB has earmarked \$32.8 million for implementing its global public relations initiatives, including the expenditure on co-operation with international and regional TV networks. Details of the partnerships and expenditure to be incurred can only be finalised by HKTB after discussion with individual networks.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)025

Question Serial No.

1159

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 large-scale Meetings, Incentive travels, Conventions and Exhibitions (MICE) events, will the Government advise this Committee:

- (a) of the types of MICE events organised by the Administration in 2011, and the content of the projects, as well as the expenditure and manpower involved;
- (b) of the types of MICE events the Administration plans to organise in 2012, and the content of the projects, as well as the expenditure and manpower involved.

Asked by : Hon. IP Wai-ming

Reply :

Reply to (a) & (b) :

The Hong Kong Tourism Board (HKTB) established a dedicated office, “the Meetings and Exhibitions Hong Kong” (MEHK) in 2008 to step up MICE promotion. Since its establishment, the MEHK has been in close co-operation with the MICE trade, overseas Economic and Trade Offices, Hong Kong Trade Development Council and Invest Hong Kong to carry out promotion work, and secure a number of large-scale MICE events to Hong Kong, including the Asian Aerospace International Expo and Congress, SWIFT International Banking Operations Seminar (a global financial industry conference), InfoComm Asia, World Congress of Nephrology, FDI Annual World Dental Congress, International Trademark Association Annual Meeting, News World Summit, etc.

The MEHK will continue to tailor-make promotional strategies according to the nature of the MICE sector, with a view to attracting more MICE events to Hong Kong, driving related arrivals, and generating more business opportunities for the MICE trade. The MEHK’s spending in MICE promotion in 2011-12 (revised estimate) and 2012-13 (proposed budget) are \$47.7 million and \$49.4 million respectively.

In 2011-12 and 2012-13, the MEHK has provided customised support to numerous conventions and exhibitions held in Hong Kong. Some examples include:

2011-12

Some of the large-scale conventions and exhibitions staged in Hong Kong in 2011	Number of participants
Exide India Incentive Conference (July)	Approx. 1 500
Vitafoods Asia (September)	Approx. 2 150
Asian Seafood Exposition (September)	Approx. 5 600
International Society for Quality in Health Care (ISQua) 28th International Conference (September)	Approx. 2 000
Winefuture Hong Kong (November)	Approx. 1 000
Mobile Asia Congress (November)	Approx. 4 300
The 12th Congress of The World Federation of Hainanese Associations cum The 3rd World Forum for Hainanese Youth (December)	Approx. 4 000
SIGGRAPH Conference and Exhibition on Computer Graphics and Interactive Techniques in Asia (December)	Approx. 7 500

2012-13

Some of the large-scale conventions and exhibitions confirmed for staging in Hong Kong in 2012	Expected number of participants
Asia Top Gallery Hotel Fair (February)	Approx. 8 500
Vinexpo Asia Pacific (May)	Approx. 13 000
Spoon Art Fair HK 12 (May)	Approx. 10 000
Asia-Pacific Conference of the Junior Chamber International (June)	Approx. 5 000
Asian Attractions Expo (June)	Approx. 6 000
FDI World Dental Congress (August)	Approx. 12 000
Frozen Food Asia (September)	Approx. 2 300
Vitafoods Asia (September)	Approx. 3 000
The 8th International Symposium of Ophthalmology (December)	Approx. 2 000

Signature _____

Name in block letters Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title (Commerce, Industry and Tourism)

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)026

Question Serial No.

1160

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 stated in the Budget Speech that the Administration will invest more heavily in our tourism infrastructure. Would the Administration advise us of the following:

- a) In 2011, apart from the plans to expand and improve the two major theme parks in Hong Kong, were there plans to explore and develop tourist attractions with local characteristics? If yes, what were the details, expenditure and staffing involved? If no, what were the reasons?
- b) In 2012-13, apart from developing new tourist attractions and upgrading the facilities of the two major theme parks in Hong Kong, are there plans to improve the existing tourist attractions and their facilities? If yes, what are the details of such plans, expenditure and staffing involved? If no, what are the reasons?

Asked by : Hon. IP Wai-ming

Reply :

The continuous development and expansion of the two theme parks, as well as the construction of a world-class new cruise terminal at Kai Tak are major capital investment projects on the tourism front. On top of these large scale projects, we are also taking forward further enhancement of existing tourist attractions and facilities, 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 tourism node in Tsim Sha Tsui through integrating the planned piazza with the revitalisation of the Tsim Sha Tsui pier, so as to enrich the indigenous characteristics of these attractions. Details of these projects, their estimated expenditure and staffing involved are set out below:

(i) Aberdeen Tourism Project

The project scope includes carrying out the improvement works for the promenade on both sides of the Aberdeen Harbour as well as Ap Lei Chau Main Street and adjacent streets, with the theme of a traditional fishermen's village. Works commenced in end September 2011 for completion in phases commencing from 2012 to 2014. The estimated total expenditure for the project is \$288.1 million. The estimated expenditure in 2012-13 is \$124.8 million. The staffing of the above project has been subsumed into the establishment of the Commerce, Industry and Tourism Branch of this Bureau for 2012-13, and it is difficult to quantify the amount separately.

(ii) Lei Yue Mun Waterfront Enhancement Project

The scope of works includes the construction of a public landing facility, a breakwater, a waterfront promenade and a new viewing terrace, as well as other streetscape improvements along the Lei Yue Mun waterfront. The relevant works department is working on the required statutory procedures for gazettal of the project works under the Foreshore and Seabed (Reclamations) Ordinance, during which we received public views concerning the sewerage problem in Lei Yue Mun. To meet the concerns, the relevant department has already engaged a consultant to explore possible interim and long term measures for improvement of the sewerage handling facilities in the area. The consultant plans to consult the local community in the first quarter of this year. Subject to the completion of the statutory procedures and funding approval by the Finance Committee, the enhancement project is expected to commence earliest in end 2012 for phased completion from end 2013 onwards. The estimated total expenditure for the project is \$228.05 million. The estimated expenditure in 2012-13 is \$6.36 million. The staffing of the above project has been subsumed into the establishment of the Commerce, Industry and Tourism Branch of this Bureau for 2012-13, and it is difficult to quantify the amount separately.

(iii) 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 Highways Department is keeping a close eye on the works. According to current progress, the works are expected to complete by end 2012. The estimated total expenditure for the project is \$71.4 million. The estimated expenditure in 2012-13 is \$29.376 million. The staffing of the above project has been subsumed into the establishment of the Commerce, Industry and Tourism Branch of this Bureau for 2012-13, and it is difficult to quantify the amount separately.

(iv) Development of a Tourism Node in Tsim Sha Tsui

The Administration originally proposed to develop an open piazza at the harbourfront area adjacent to the Tsim Sha Tsui (TST) Star Ferry Pier, and to construct an adjacent turnaround which could accommodate a number of bus stops and a taxi stand. The works for the turnaround were gazetted in 2009 and 2010. Taking into account the public views received, the Administration has revisited the way forward for the piazza project, and proposes to adopt a new design concept that will integrate the piazza with the revitalisation of the TST Star Ferry Pier, so that the vicinity can be developed into a tourism node. Under the new design concept, we propose to expand the turnaround being planned into a new public transport interchange. The works for the expansion of the turnaround were gazetted in September 2011. We are following up with the views collected during the period of gazettal according to the statutory procedures, and are working on the design for

the tourism node. When a more concrete design proposal is available, we will consult the relevant organizations and stakeholders. The project is still at the planning stage, and hence no expenditure will be incurred in 2012-13. The staffing of the above project has been subsumed into the establishment of the Commerce, Industry and Tourism Branch of this Bureau for 2012-13, and it is difficult to quantify the amount separately.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)027

Question Serial No.

1161

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

Subhead (No. & title) :

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 the green tourism products on offer in Hong Kong, will the Administration inform this Committee of the following:

- (a) How many green tourism products were promoted in 2011? What items were included? What were the expenditures and manpower involved?
- (b) How many green tourism products will undergo major improvement measures in 2012-13? What are the specific implementation measures? What are the expenditures and manpower involved?
- (c) What are the detailed plan and publicity strategies for promoting the Hong Kong National Geopark? What are the expected economic benefits?
- (d) Has provision been earmarked for the daily conservation of the Geopark?

Asked by : Hon. IP Wai-ming

Reply :

(a)-(c) The Hong Kong Tourism Board (HKTB) has adopted a targeted approach and utilised "Great Outdoors Hong Kong!" as the marketing platform to promote three major types of green tourism products to nature lovers (such as senior citizens in Japan and South Korea, as well as hikers in the southern part of Mainland China, Taiwan and other markets), including –

- the Sai Kung Volcanic Rock Region and the Northeast New Territories Sedimentary Rock Region of the Hong Kong Global Geopark of China (the Geopark);
- hiking trails such as the MacLehose Trail, outlying islands (Lamma Island, Cheung Chau, Peng Chau), walking trails (the Peak Circle Walk, the Dragon's Back); and
- the Hong Kong Wetland Park and the Mai Po Wetland.

In 2012-13, the HKTB will implement the following initiatives to promote green tourism products (including the Geopark):

Promotions targeting visitors

- To promote green tourism products, including those featuring the Geopark, which are operated by local travel agents to inbound visitors through various channels such as HKTB's website, visitor centres and guide books.
- To organise complimentary guided tours in November under the "Great Outdoors Hong Kong!" programme by taking visitors to see the landforms at the Geopark.
- To encourage individual visitors to explore the Geopark via the "Great Outdoors Hong Kong!" thematic website and complimentary guidebook.
- To arrange different media organisations from target source markets to visit and feature the Geopark in their TV programmes or publish articles which showcase the Geopark.

Promotions targeting overseas trade

- To introduce the Geopark by display boards at travel fairs and road shows in target source markets; and to distribute recommended itineraries and information on the Geopark to the overseas trade for reference for developing new tourism products.
- To invite overseas trade partners specialising in green tourism to visit the Geopark for themselves, and encourage them to include the Geopark itineraries in their products and promote them to nature lovers.

Meanwhile, the Tourism Commission (TC) is exploring with the HKTB, the travel trade and relevant departments on how to facilitate tourists to visit the Geopark, including launching a pilot scheme to allow coaches to transport inbound visitors to and from the East Dam of the High Island Reservoir on a limited scale, with a view to promoting nature-based tourists' activities.

The TC and HKTB will carry out the above promotion work with existing resources. No additional expenses and manpower will be incurred.

Promotion of the Geopark and other natural attractions will entice nature lovers to visit Hong Kong. Their spending in Hong Kong will bring us economic benefits, which are nevertheless difficult to quantify.

- (d) In 2012-13, the Agriculture, Fisheries and Conservation Department has earmarked \$29.2 million under Head 22 Programme (2) Nature Conservation and Country Parks for the management and operation of the Geopark.

Signature _____

Name in block letters Andrew HY WONG

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

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)028

Question Serial No.

1162

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 will strengthen digital marketing and publicity initiatives. Would the Government advise us of the following:

- (a) In 2011, what measures were implemented regarding the above publicity initiatives? What were the details, expenditure and staffing involved?
- (b) In 2012-13, what measures will be implemented regarding the above publicity initiatives? What will be the details, expenditure and staffing involved?

Asked by : Hon. IP Wai-ming

Reply :

- (a) The digital marketing team of the Head Office of the Hong Kong Tourism Board (HKTB) is designated to devise digital marketing strategies and implement the related initiatives. The HKTB's worldwide offices and representatives will complement the efforts by launching various digital promotions in visitor source markets.

In 2011-12, the HKTB launched a number of digital marketing initiatives, including:

- **Capitalising on social media:** The HKTB leveraged on social media platforms, such as discussion forums, Facebook and Sina *Weibo*, to promote Hong Kong in creative ways. For instance, *Weibo* was used to promote the Hong Kong Halloween Treats to young visitors in the Mainland.
- **Enhancing the HKTB's DiscoverHongKong.com website:** The HKTB enriched its official website with more user-generated contents, including photos, videos and articles on Hong Kong by netizens. Also, the HKTB undertook preparations for the launch of a newly designed DiscoverHongKong.com website, such as designing the interface and the content site map, as well as website functions.
- **Producing online videos:** The HKTB developed creative online videos to increase the effectiveness of promotions. For example, a video on the Cheung Chau Bun Festival was produced and uploaded onto the Internet during Hong Kong Cultural Celebrations, and netizens were encouraged to share and post hyperlinks of videos to maximise the viral and publicity effect.

- **Co-operating with travel portals:** The HKTB worked with various travel portals, including Ctrip, Mangocity and eLong in the Mainland, as well as Travelocity and Expedia.com in the US, to drive online bookings of Hong Kong tour packages.
- **Developing smartphone applications:** Using the augmented reality technology, the HKTB developed and introduced the DiscoverHongKong • AR and the DiscoverHongKong • City Walks applications, giving visitors greater convenience in obtaining different types of travel information on Hong Kong via their smartphones.

The HKTB's revised estimate for the above digital marketing work in 2011-12 is \$20.9 million.

(b) In 2012-13, the HKTB will step up its digital marketing efforts through collaboration with online travel portals to promote Hong Kong tour products. In addition, the HKTB will implement the following initiatives:

- **To launch a newly designed DiscoverHongKong.com website:** The HKTB's DiscoverHongKong.com website will take on the theme "Asia's World City", with new design and interface, as well as enhanced architecture, so that users can access information even more efficiently. In addition, the HKTB will work closely with online sharing sites to include more user-generated information on Hong Kong, such as photos, videos and articles, on the website. New interactive functions will also be added, such as maps using the positioning system to provide visitors with information on points of interest in their proximity.
- **To strengthen promotions on social media platforms:** The HKTB will publicise our mega events in different markets using social media platforms such as Facebook, YouTube and Weibo.
- **To promote Hong Kong through influential bloggers:** The HKTB will invite influential or popular bloggers from different visitor source markets to attend mega events and related activities in Hong Kong, and share their first-hand experience in Hong Kong on their blogs. Also, the HKTB will encourage readers to share these blog entries to increase exposure of Hong Kong in the online world.
- **To develop new smartphone applications:** Using the augmented reality technology, the HKTB will develop new smartphone applications featuring Hong Kong's diverse tourism facades, such as its outlying islands. Versions suitable for tablet computers, such as the iPad, will also be launched for the existing smartphone applications.

The HKTB's proposed budget for the above work in 2012-13 is \$25.2 million.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)029

Question Serial No.

1163

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 :

With regard to the development project of a piazza in Tsim Sha Tsui, will the Government advise this Committee of the following:

- a) What was the progress of the project in 2011? What is the anticipated completion date?
- b) What is the project's estimated expenditure for 2012-13? What is the number of staff employed and what are their ranks?
- c) Since the project will affect the existing Star Ferry Pier and bus terminus, has the Administration earmarked resources to improve and enhance the ancillary facilities, such as providing additional street signs, so as to mitigate the inconvenience caused to tourists as well as bus and ferry passengers?

Asked by : Hon. IP Wai-ming

Reply :

The required information about the Tsim Sha Tsui piazza project is as follows:

- (a) The Administration originally proposed to develop an open piazza at the harbourfront area adjacent to the Tsim Sha Tsui (TST) Star Ferry Pier, and to construct an adjacent turnaround which could accommodate a number of bus stops and a taxi stand. The relevant Government departments gazetted the works for the turnaround in 2009 and 2010. Taking into account the public views received, the Administration has revisited the way forward for the piazza project, and proposes to adopt a new design concept that will integrate the piazza with the revitalisation of the TST Star Ferry Pier, with an aim to developing the vicinity into a tourism node. Under the new design concept, we propose to expand the turnaround being planned to become a new public transport interchange. The relevant departments already gazetted the works for the expansion of the turnaround in September 2011. We are following up with the views collected during the period of gazettal in accordance with the statutory procedures, and are working on the design for the tourism node. When a more concrete design proposal is available, we will consult relevant organizations and stakeholders.

- (b) The project is still at the planning stage, and hence no expenditure will be incurred in 2012-13. The staffing of the above project has been subsumed into the establishment of the Commerce, Industry and Tourism Branch of this Bureau for 2012-13, and it is difficult to quantify the amount separately.
- (c) The planned public transport interchange under the new design concept will enable all bus routes currently using the TST Star Ferry Pier bus terminus to continue to call at the Star Ferry Pier in future. This will facilitate passengers in interchanging with the Star Ferry, and hence reduce possible impact on the public and visitors.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)030

Question Serial No.

1164

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 looks forward to the smooth operation of Ngong Ping 360. Will the Administration inform this Committee:

- (a) of the patronage of Ngong Ping 360 and the amount of fare revenue, the number of visitors to Ngong Ping Village and the amount of rent revenue for the past year;
- (b) of the details of the estimated operational expenditure of Ngong Ping 360 and of its operation, and the estimated operational expenditure of Ngong Ping Village and details of the operation for 2012-13;
- (c) regarding the several service interruptions of Ngong Ping 360 in 2011 rendering visitors unable to make their trips to Ngong Ping Village, whether the Administration has assessed the number of visitors affected and the reduction in revenue, if it has, of the details and whether the Administration has taken appropriate measures to assist the shop tenants affected, if it has, of the details and the amount involved.

Asked by : Hon. IP Wai-ming

Reply :

- (a)-(b) In 2011, Ngong Ping 360 (including the cable car system and the Ngong Ping village) recorded a total number of 1.69 million guests and total revenue of around \$270 million, which included both cable car fares and rental income from Ngong Ping Village.

The Ngong Ping 360 Limited is a subsidiary of the MTR Corporation Limited (MTRCL). In accordance with the Tung Chung Cable Car Ordinance, the MTRCL has been granted a franchise to operate, manage and maintain the cable car system, and to determine and collect fares during the franchise period. The operating expenditure of the cable car system and the Ngong Ping Village is the commercial decision of the Board of Ngong Ping 360 Limited. The Government does not subvent the operation of Ngong Ping 360, and does not have any information in this regard.

- (c) Ngong Ping Village tenants are important and close business partners of Ngong Ping 360. The Ngong Ping 360 Limited understands that the tenants' operation has been affected by the suspension of the cable car service. The company has held discussions with tenants on the payment of special allowances, which are meant to subsidise the tenants' operating cost during the suspension period and enable them to continue their operations. Besides, the Ngong Ping 360 Limited has contacted New Lantao Bus Co. (1973) Ltd. to increase the frequency of bus service between Tung Chung and Ngong Ping to facilitate guests wishing to visit Ngong Ping Village, Po Lin Monastery, Big Buddha and the other attractions.

The Ngong Ping 360 Limited has also arranged promotion for the Village during this period. Guests who spend \$60 or more can redeem, free of charge, a MTR single journey ticket from Tung Chung to MTR lines. In addition, the Ngong Ping 360 Limited will offer guests on group tours arranged by tour operators and tour guides free admission to the Village's two multimedia attractions, namely "Walking with Buddha" and "Monkey's Tale Theatre".

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)031

Question Serial No.

1457

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 estimated expenditure for 2012-13 is 69% higher than the revised estimate for 2011-12. According to the Bureau, it is mainly due to the provision required for filling the position of Under Secretary for Commerce and Economic Development and the creation of one position of Political Assistant. Since the performance of the Political Assistants remains unsatisfactory, their salaries have been criticised as being too high and the Government has indicated that it will review the system. What are the grounds for creating a position of Political Assistant at the present time?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

Provision earmarked for filling the position of Political Assistant was included in the original estimate for 2011-12. Since the vacancy has not yet been filled, the unused provision was not included in the revised estimate for 2011-12. The estimate for 2012-13 is \$4.9 million higher than the revised estimate for 2011-12 due to the provision temporarily earmarked for filling the vacancies of Under Secretary for Commerce and Economic Development and the Political Assistant in 2012-13.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)032

Question Serial No.

1458

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 estimated expenditure for 2012-13 is about \$80 million (834%) higher than the revised estimate for 2011-12. This is due to the provision for the establishment and operation of the Competition Commission. How many posts will be created for the Commission? What will be the estimated annual operational cost of the Commission?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

Provision for Programme (4) in 2012-13 is higher than the revised estimate for 2011-12, mainly due to the provision of \$80.7 million earmarked for the establishment and operation of the Competition Commission (the Commission) should the Competition Bill (the Bill) be enacted within 2012-13. It caters for the recruitment and employment of the Commission's staff, the leasing of the Commission's office accommodation, and research and promotional work of the Commission. The actual expenditure will depend on the legislative progress of the Bill. Resource allocation for subsequent years will be reviewed in light of the implementation of the law as well as the actual operation of the Commission.

No civil service posts will be created under the above-mentioned provision. The Commission may employ staff and engage other persons on contract for services as it considers necessary to perform its functions.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

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

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)033

Question Serial No.

1459

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 2011-12, the revised estimate is 16.8% lower than the original estimate. What are the reasons? For 2012-13, the provision is 13.4% lower than the revised estimate for 2011-12 owing to the anticipated decrease of cash flow requirement for the Mega Events Fund. Please explain the anticipated decrease in cash flow requirement.

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The revised estimate for 2011-12 is \$27.6 million (16.8%) lower than the original estimate for 2011-12. This is mainly due to the decreased cash flow requirement for non-recurrent items, partly offset by increased operational expenses and salary provision.

The Mega Events Fund (MEF) was established in 2009, following funding approval of the Finance Committee of the Legislative Council (LegCo). Since its inception, six rounds of applications have been invited and a total sum of \$ 51.3 million has been granted to support 16 mega events. The three-year funding approved by LegCo will expire by the end of March 2012. The estimated expenditure for the MEF in 2012-13 is \$8.7 million. This amount is reserved for paying the outstanding balance in respect of those MEF supported events completed before the end of March 2012 and is therefore less than that in 2011-12.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)034

Question Serial No.

1460

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 view of recent reports from time to time about Mainland visitors' behaviour in Hong Kong causing public concern, has the Administration earmarked provision under this programme for the Hong Kong Tourism Board to organise cultural promotions to remind Mainland visitors of the manners to be observed in Hong Kong? If yes, what are the expenditures involved? If not, what are the reasons?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Hong Kong Tourism Board (HKTB) is committed to promoting Hong Kong as a premier travel destination worldwide, and attracting global visitors to travel to the city. While the lifestyles and habits of visitors may vary from those of Hong Kong residents, the HKTB has been providing visitors with information such as travel tips and applicable rules and regulations in Hong Kong through the HKTB website. Such messages include the prohibition of smoking in all indoor public places, prohibition of eating and drinking on most public transport, and the imposition of fixed penalty fines for littering or spitting, etc. The HKTB will monitor the situation and consider reinforcing these messages in its promotional activities when necessary.

In 2012-13, HKTB has earmarked \$349.8 million for its marketing budget in Hong Kong and source markets around the world, which has already included expenditure for the above work.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

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

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)035

Question Serial No.

2038

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 Administration, resources will be allocated in 2012-13 so as to continue to oversee the implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). However, many members of the business community, especially small and medium enterprises and professionals, reflected that they encountered a lot of difficulties in their operation even though they entered the market under the preferential treatments provided by the CEPA. Will the Administration introduce more specific measures in the 2012-13 financial year to help our enterprises and professionals in the Mainland market overcome the operational difficulties? If yes, what is the action plan and estimated expenditure? If not, what are the reasons?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Government attaches great importance to the effective implementation of the "Mainland and Hong Kong Closer Economic Partnership Arrangement" (CEPA). We work closely with the Mainland authorities at central, provincial and municipal levels to address and follow up on problems encountered by Hong Kong enterprises (including the small and medium enterprises and professionals) in using CEPA preferential treatments in the Mainland. Apart from providing free information and advisory services on CEPA, the Trade and Industry Department (TID) has established a notification mechanism with the Mainland authorities on the promulgation of relevant regulations and implementation details, and disseminates relevant information on its CEPA website for reference by the trade. Hong Kong enterprises can also approach the Hong Kong Trade Development Council China Business Advisory Unit, which comprises representatives from the Ministry of Commerce, Guangdong Province, Shanghai Municipality and Fujian Province, for advice on the regulatory regime and application details of the relevant service industries in the Mainland. If Hong Kong enterprises encounter difficulties in using CEPA benefits, they can contact TID, offices of the Hong Kong Special Administrative Region Government in the Mainland, or the relevant policy bureaux and departments. We will render assistance as appropriate having regard to the nature of the problems involved.

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; TID oversees bilateral discussions on further liberalisation and implementation of liberalisation measures under CEPA; and individual bureaux and departments deal with liberalisation and specific implementation issues in the relevant service sectors. The resource requirements are absorbed by relevant bureaux/departments respectively, and we do not have information on the actual amount involved.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)036

Question Serial No.

0856

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, 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 in 2012-13. Will the Administration take the initiative to discuss and examine with the Financial Services and the Treasury Bureau whether to review and amend section 39E of the Inland Revenue Ordinance, which has been hindering industrial restructuring and upgrading? If yes, what are the details? If no, what are the reasons?

Asked by : Hon. LAM Tai-fai

Reply :

We understand that the Secretary for Financial Services and the Treasury has already explained in detail to the Legislative Council a number of times the result of the review conducted by the Administration on whether the restriction of section 39E of the Inland Revenue Ordinance (IRO) should be relaxed as well as the related justifications. In short, in view of Hong Kong's established taxation principles of "territorial source" and "tax symmetry", as well as the problem of transfer pricing, the Administration has come to a conclusion that there are no justifiable grounds to relax the existing restriction in section 39E of the IRO. The Administration does not intend to conduct another review on the same issue.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

29.2.2012

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

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, Industry and Tourism Branch will continue to support the further development of wine-related businesses in Hong Kong in 2012-13. What are the details? The Government has proposed revitalising the Haw Par Mansion as a wine centre, but eventually no tender was submitted. Has the Government any plan to convert another area or any government building into a wine centre? If yes, what are the details? If no, what are the reasons?

Asked by : Hon. LAM Tai-fai

Reply :

Details of our efforts in 2011-12 to support the development of wine-related businesses are given below -

- (a) trade and investment promotion: Invest Hong Kong (InvestHK), through its overseas offices, actively encouraged foreign wine companies to set up/expand business in Hong Kong, by advertising the relative advantages of Hong Kong as an ideal platform for tapping the Asian market (in particular the Mainland). We in the Commerce and Economic Development Bureau co-ordinated the promotion strategy of relevant agencies, namely the Hong Kong Trade Development Council (TDC), the Hong Kong Tourism Board (HKTB), and InvestHK. HKTB organised the third Wine and Dine Festival in late October 2011. This was followed by TDC's fourth Hong Kong International Wine and Spirits Fair in early November, the largest one of its kind in Asia.

According to the Census and Statistics Department, in the year 2010-11, over 200 companies with wine as their core business were newly established in Hong Kong. Wine-related businesses in Hong Kong continued to thrive in 2011. Wine imports reached \$9.7 billion, representing an increase of 40% relative to 2010. In 2011, Hong Kong also kept its title as the largest wine auction centre in the world, for two consecutive years. The total auction sales amounted to \$1.78 billion;

- (b) facilitating the movement of wine imports into the Mainland: in June 2010, we rolled out with the Mainland Customs facilitation measures for wines imported from Hong Kong. The measures include pre-valuation of duty whilst the wines are in Hong Kong and compression of clearance time at Mainland ports. The measures are being tried out in Shenzhen. So far, more than 40 Hong Kong companies have registered for participation in the scheme. We are now discussing with the Mainland on how to make the scheme more user-friendly, including extending the scheme beyond Shenzhen;
- (c) manpower training and education: the Government has been fostering close liaison between the industry and the training institutions, with a view to allowing the two sides to work together in assessing long-term manpower needs and in mapping out the best way for meeting such needs. Responding to rising demand and driven by market forces, public as well as private training institutions are enriching/expanding their wine appreciation courses and developing enhanced manpower training programmes.

For instance, the Vocational Training Council (VTC) has been expediting the launching of new wine-related courses and modules since 2009 and strengthening its partnership with overseas institutions. This enhances the training that VTC offers to personnel ranging from sommeliers to frontline catering staff. There are 1 900 places in the 2011-12 academic year, and the figure will grow to 2 200 in 2012-13. VTC will also establish an International Cuisine College in 2014. As part of our efforts to sustain the development of wine-related business in Hong Kong, the College is to provide training on food and wine pairing, wine appreciation and other wine-related matters.

We have also encouraged partnership between local and overseas training institutions through the co-operation agreements signed with our trading partners. For example, the School of Professional and Continuing Education of the University of Hong Kong partnered with a French institution to launch the first Master of Business Administration's programme in Hong Kong on wine. The programme seeks to nurture managers with a good understanding of the wine business environment. At present, a total of 50 places are offered under the programme. The first batch of students graduated in 2011;

- (d) wine storage: with the assistance of the Government, the Hong Kong Quality Assurance Agency launched a scheme for accrediting storage facilities in late 2009. At present, 32 facilities have been accredited. The scheme has been expanded to the retail/consumption and transportation sectors in 2011, covering the whole supply chain. According to our survey in 2011, the total floor area for wine storage run by the accredited companies has increased by 60%, relative to the capacity available before wine duty exemption. We are examining ways to further refine the scheme, with a view to attracting more Asian investors to store their investment-grade wines in Hong Kong;
- (e) combating counterfeit wine: the Customs and Excise Department (C&ED) has established a dedicated investigation team since August 2008 to tackle counterfeit wine. In October 2008, the Department formed an alliance with the industry for strengthening co-operation in intelligence collection and enhancing their capacity in monitoring market activities. In May 2011, they set up a specialist team under the alliance, drawing in experts to assist in enforcement against counterfeit wine. C&ED has also established a liaison network with overseas and Mainland enforcement agencies for the purpose of enhancing its capability in intercepting suspected counterfeit wine and verifying wine authenticity; and

- (f) up to 2011, we have signed co-operation agreements with 12 major wine-producing countries/regions, including France (and its Bordeaux and Burgundy regions), the USA (and its Washington and Oregon states), Portugal, Spain, Australia, Chile, Italy, Hungary and New Zealand to strengthen promotional activities in areas including wine-related trade, investment and tourism, etc..

In 2011, the local government in Burgundy organised a large-scale wine promotion event in Hong Kong for the first time. Italy was the partner country for TDC's International Wine and Spirits Fair. For our co-operation agreement with Bordeaux, we signed a supplementary agreement with them in 2011 for the purpose of strengthening our collaborations in the Wine and Dine Festival. Bordeaux would endeavour to bring more wine and food traders to the event.

In 2012-13, the Government will continue to roll forward and keep up the momentum of our work, for the purpose of sustaining the development of wine-related businesses.

As regards the Haw Par Mansion (HPM), the Development Bureau conducted an open tender exercise twice in 2011 for revitalising HPM for commercial purposes that included but were not limited to wine-related businesses. The two tender exercises were subsequently cancelled as the tenders received did not conform to the mandatory requirements stated in the tender documents. Similar exercises may be conducted in future as and when other suitable sites are identified. There is no such plan at the moment.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)038

Question Serial No.

0858

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 :

While the Commerce, Industry and Tourism Branch will continue to monitor and review the operation of the Small and Medium Enterprise Funding Schemes in 2012-13, the Financial Secretary announced in the Budget Speech 2012-13 that a nine-month concessionary scheme would be introduced under the Small and Medium Enterprise Financing Guarantee Scheme. When will the Administration review the Scheme? Having regard to the economic downturn, will it consider further extending the Scheme? If yes, what are the details? If no, what are the reasons?

Asked by : Hon. LAM Tai-fai

Reply :

The Hong Kong Mortgage Corporation Limited (HKMC) introduced a market-oriented and sustainable Small and Medium Enterprises (SME) Financing Guarantee Scheme (SFGS) on 1 January 2011. SFGS facilitates SMEs in obtaining finance from banks and helps reduce banks' lending risks, thereby contributing to the stability of our banking system.

Given the fluctuations in the external economic environment, SMEs may have to face financing difficulties as a result of a credit crunch. To help SMEs, the Financial Secretary proposed in the 2012-13 Budget to introduce special time-limited concessionary measures under the existing SFGS. Under the measures, the loan guarantee ratio will be increased from the existing ceiling of 70% to 80%, and the guarantee fee will be reduced substantially. The application period will last for nine months. The Government will provide a total guarantee commitment of \$100 billion for the special concessionary measures. We are working closely with HKMC and would seek funding approval from the Finance Committee of the Legislative Council in April with a view to launching the measures as soon as possible within the first half of the year. We will closely monitor the changes in the economic environment and the use of the measures, and review the measures as necessary.

Signature _____

Name in block letters Andrew HY WONG

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

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)039

Question Serial No.

0859

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, Industry and Tourism Branch will publish the Administration's proposed way forward regarding the future positioning of the patent system in Hong Kong in 2012-13. What are the details and implementation timetable of the recommendations? Will these recommendations include allocating additional resources to help local small and medium enterprises correspondingly implement the new system proposed by the Administration? Have there been negotiations with the Mainland counterparts on ways to enhance the compatibility between the patent systems of both places? If yes, what are the details? If no, what are the reasons?

Asked by : Hon. LAM Tai-fai

Reply :

Regarding our review of the patent system in Hong Kong, we have received over 70 written submissions from the public consultation exercise conducted between October and the end of December 2011. The respondents are mainly stakeholders from the patent-related fields including various industrial associations and professional organizations, research and development centres, academia, the legal profession, as well as the business and industrial sectors.

We maintain an open mind in taking forward the review. We are now examining the views received and will carefully scrutinize the relative merits of the comments/responses put in by different parties with a view to formulating proposals that will best serve the overall interest of Hong Kong. We intend to announce the proposed way forward in the first half of 2012. At this stage, we are not in a position to give details of the recommendations or, for that matter, the implementation timetable.

Since the outcome of the review is yet to take shape, it is premature to talk about the need or otherwise of formal dialogue with our Mainland counterparts on issues including convergence between the patent systems of both places.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)040

Question Serial No.

0860

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 organised 36 and 35 fairs in 2010 and 2011 respectively. Was any of these targeted at small enterprises (with fewer than 50 employees)? If yes, what are the details? If no, what are the reasons? Will the Administration study with the Hong Kong Trade Development Council the feasibility of providing small enterprises with subvention so that they have a chance to join a fair and a platform to promote sales? If yes, what are the details? If no, what are the reasons?

Asked by : Hon. LAM Tai-fai

Reply :

Small and medium-sized enterprises (SMEs) have all along been the focus of the services of Hong Kong Trade Development Council (TDC) and are encouraged to participate in its exhibitions. Every year, TDC organises two special events for start-ups and SMEs, namely the HKTDC Entrepreneur Day in May and the World SME Expo in December, to provide various business support services for them.

TDC also introduces new measures and arrangements from time to time, taking into account market demand and the economic situation, to support start-ups and SMEs to participate in fairs. For example, "Economy Booth" with smaller booth size and "Cubic Showcase" for product display with company information were introduced in November 2010 to enable new enterprises with less resource to participate and promote their products in international fairs. More than 250 SMEs have benefited from this new initiative. Depending on the market reactions, TDC will continue to provide these type of services.

In recent years, TDC also set up designated zones for SMEs in some of its fairs, such as the creation of a SME publishers' zone in the Hong Kong Book Fair since 2000, as well as an SME exhibition area, which allows SMEs to promote their merchandise at an affordable rates, in the Better Living Expo staged at the Asia-World Expo in 2011.

Signature _____

Name in block letters _____ Andrew HY WONG _____

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

Date _____ 29.2.2012 _____

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

Reply Serial No.

CEDB(CIT)041

Question Serial No.

1061

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 2012-13, the Commerce, Industry and Tourism Branch will continue to work with the Trade and Industry Department to finalise implementation details of the five-year dedicated fund to support Hong Kong enterprises in developing their brands, upgrading and restructuring their operations and promoting sales in the Mainland domestic market, and seek funding approval from the Finance Committee with a view to launching the fund in mid 2012. In this connection, would the Government inform this Committee of the implementation details of the fund, the estimated amount of the fund for application by enterprises every year, and when the Government will review the programme? Will the Government consider setting up a permanent dedicated fund to replace the time-limited one? If yes, what are the details? If not, what are the reasons?

Asked by : Hon Lam Tai-fai

Reply :

To support Hong Kong enterprises, in particular small and medium enterprises, to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011-12 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland.

The fund would comprise two parts:

- (i) to provide funding support to individual Hong Kong companies to assist them in undertaking projects to develop brands, upgrade and restructure their business operations and promote sales in the Mainland market, so as to enhance their competitiveness and facilitate their business development in the Mainland market; and

- (ii) to provide funding support to non-profit-distributing organisations for them to undertake large-scale projects which aim to assist Hong Kong enterprises in general or in specific sectors to develop brands, upgrade and restructure business operations and promote sales in the Mainland market, so as to enhance their competitiveness in the Mainland market.

We have consulted the trade earlier and are finalising the operation details of the fund. We plan to seek funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid 2012. We will review the use and effectiveness of the fund in due course after the launch of the fund.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)042

Question Serial No.

1062

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 2012-13, the 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.

Recently, a number of incidents that took place in Hong Kong have damaged the reputation of the tourism industry in Hong Kong, including the findings of an international survey organisation that Hong Kong residents were not friendly enough towards tourists; the suspension of Ngong Ping cable car service for two months; the repeated suspension of amusement rides in the Ocean Park; and the findings of an investigation by the Consumer Council that there were incidents of tourists being deceived by unscrupulous shops. Will the Administration conduct a comprehensive and in-depth review of the tourism developments in Hong Kong in view of the incidents happened recently and suggest possible measures to enhance the image of the tourism industry in Hong Kong? What is the detailed plan for working with the industry to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital? What are the estimated expenditure and manpower involved?

Asked by : Hon. LAM Tai-fai

Reply :

Tourism is a major pillar of Hong Kong's economy. The Government is committed to enhancing the tourism appeal of Hong Kong. To maintain the image of Hong Kong as a preferred international tourism destination, the Government has been working closely with the operators and management of tourist attractions to ensure that the facilities and services they offer will meet the needs and aspirations of our visitors.

The Government conducts review on matters relating to tourism development from time to time. Regarding the regulation of travel agents, the Government conducted a public consultation exercise on the review of the operation and regulatory framework of the tourism sector in Hong Kong from April to July last year, and announced the decision to set up an independent statutory body as the regulatory body of the tourism sector for the healthy and sustainable development of our tourism sector. To enhance protection for consumers against unfair trade practices and create a fair competition environment for the enterprises, the Trade Descriptions (Unfair Trade Practices)(Amendment) Bill 2012 was gazetted on 24 February this year and the Government will work closely with the Legislative Council with a view to completing the scrutiny of the bill as soon as practicable. Regarding incidents of individual tourism attractions, Ngong Ping 360 is conducting thorough investigations into the incidents, replacing all relevant parts, and improving the company's contingency and communication arrangements. In view of the ride incidents occurred last year, the Ocean Park announced new "Guidelines on Public Announcement for Ride-Related Incidents" to enhance communications with tourists. In addition, the Park has engaged an independent consultant to review the operations of all its mechanical rides. The consultant has suggested some improvements measures and the Park is taking steps to implement them. The expenditure on the above aspects of work has been subsumed into the provision for 2011-12 for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately.

Regarding the promotion of MICE (Meetings, Incentives travels, Conventions and Exhibitions), the Hong Kong Tourism Board established a dedicated office, "the Meetings and Exhibitions Hong Kong" (MEHK) in 2008 to step up MICE promotion. Since its establishment, the MEHK has been in close co-operation with the MICE trade to promote MICE tourism. In 2012-13, the MEHK plans to spend \$49.4 million on MICE promotion.

Signature	_____
Name in block letters	Andrew HY WONG
	Permanent Secretary for Commerce and Economic Development
Post Title	(Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)043

Question Serial No.

1063

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 :

Provision for 2012-13 is \$80.9 million (834%) higher than the revised estimate for 2011-12. This is mainly due to the provision for the establishment and operation of the Competition Commission should the Competition Bill be enacted within 2012-13. In this connection, will the Administration inform this Committee:

- (a) of the basis on which \$80.9 million was arrived at and the breakdown of each expenditure item, including the estimated salaries of various ranks, operational costs, office rentals and staff costs; and
- (b) whether it will consider postponing the legislation of the Competition Bill given the global economic downturn and views of the commerce and industry sector. If yes, what are the details? If not, what are the reasons?

Asked by : Hon. LAM Tai-fai

Reply :

- (a) Provision for Programme (4) in 2012-13 earmarked for the establishment and operation of the Competition Commission (the Commission) should be \$80.7 million. In arriving at the estimate, we have drawn reference from the organizational structure and operational experience of overseas competition authorities and local regulatory bodies. The provision caters for the recruitment and employment of the Commission's staff, the leasing of the Commission's office accommodation, and research and promotional work of the Commission. The actual expenditure will depend on the legislative progress of the Competition Bill (the Bill).

- (b) The Administration appreciates the views expressed by stakeholders, in particular the small and medium-sized enterprises, on the Bill. In October 2011, we put forward six proposed amendments to address the major concerns. The Legislative Council Bills Committee on Competition Bill generally reacted positively to the proposed amendments. To meet the community's aspiration for a cross-sector competition law, we will continue to work closely with the Bills Committee on its scrutiny of the Bill, with a view to enacting the Bill within the 2011-12 legislative session.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)044

Question Serial No.

1064

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 implement measures on four fronts to create more business opportunities for MICE (Meetings, Incentive travels, Conventions and Exhibitions) tourism in 2012-13. Please provide a list detailing each specific plan and the estimated expenditure, as well as the projected economic benefits for Hong Kong's MICE tourism.

Asked by : Hon. LAM Tai-fai

Reply :

In 2012-13, the Meetings and Exhibitions Hong Kong (MEHK) under the Hong Kong Tourism Board (HKTB) will continue to tailor-make promotional strategies according to the nature of MICE, with a view to generating more business opportunities for the sector. The MEHK will further promote Hong Kong's unique MICE offerings, strengthen the branding of Hong Kong as an ideal MICE destination, attract more MICE events to Hong Kong and drive related arrivals. Major initiatives include:

Meetings and Incentive Travels:

- Focus on the promotion in the Mainland, Taiwan, India, Southeast Asia and Australia. Build partnership with organisers in these markets through road shows and trade fairs etc. to encourage them to bring their meetings and incentive activities to Hong Kong.
- Work with the local travel trade to actively promote Lantau as a MICE hub, so as to encourage more organisers to hold their meetings and incentive activities on the island.
- Organise awards for motivating MICE agents in the Mainland and Taiwan to recommend Hong Kong as the destination of corporate events to their clients.
- Inviting meetings and incentive travel organisers from target source markets to visit Hong Kong on familiarisation programmes, and arrange for them to meet with the local trade, including hotel representatives and meetings and incentive agents, so as to establish business connections.

Conventions:

- Roll out support programmes to assist organisers in enhancing promotion of their events so as to boost attendance.
- Continue targeting large-scale conventions with over 5 000 participants.
- Strengthen collaboration with organisers of these large-scale international conventions to attract more events over six targeted industries (medical, medical science, social science, computer science, engineering and sports-leisure-culture).
- Collaborate with local chapters of related professional associations to persuade their respective associations to stage their international conferences in Hong Kong, and provide support to these local chapters in the bidding process.
- Co-operate with organisers of large-scale conventions to be held in Hong Kong during the year, including the FDI World Dental Congress 2012, the Junior Chamber International Asia-Pacific Conference 2012 and the Asian Attractions Expo 2012, to publicise these events through channels such as the Internet, industry promotions and public relations activities, so as to strengthen Hong Kong's image as the preferred MICE destination.
- Work with the local travel trade to provide participants of large-scale conventions with value-added offers on airfares, sightseeing, shopping and dining to give participants added incentive to visit Hong Kong.

Exhibitions:

- Work with organisers of exhibitions to substantiate the offers in the "Business Right Here!" programme. Focusing on the peak exhibition periods (March to June and September to December every year), provide value-added offers, including discounted airfares, sightseeing, special shopping and dining privileges.
- Continue to provide customised support services to organisers, so as to secure recurrent events and attract new exhibitions to Hong Kong.

In 2012-13, the MEHK plans to spend \$49.4 million on MICE promotion. Since the MEHK will deploy resources flexibly in response to changing needs, and the majority of the publicity activities can simultaneously promote MICE tourism, there is no breakdown of expenditure figures on individual items.

The MICE industry has made significant contribution to the economy of Hong Kong. In 2011, there were 1.56 million overnight MICE visitors to Hong Kong, up by 9.3% over 2010. MICE visitors are usually high-spending visitors. According to provisional figures, the per-capita spending of overnight MICE visitors in 2011 was \$9,328, up by 10.0% over 2010 (\$8,475) and 27.2% higher than the overall figure of \$7,333 in 2011. Various industries like tourism, hotel, aviation, retail, food and beverage, entertainment, etc. have been benefitted. We expect that MICE arrivals will increase by 11% to 1.73 million in 2012.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)045

Question Serial No.

1144

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 support for the development of wine-related businesses, please inform this Committee of the progress of work relating to trade and investment promotion, facilitating the movement of wine imports into the Mainland, manpower training and education, benchmarking Hong Kong's wine storage facilities with international standards, combating counterfeits, and collaboration with the trading partners of Hong Kong in 2011-12, as well as the resources and expenditure involved. Has the Administration any work plan in 2012-13 to support the further development of wine-related businesses in Hong Kong? What is the estimated expenditure involved?

Asked by : Hon. LAU Kin-ye, Miriam

Reply :

Details of our efforts in 2011-12 to support the development of wine-related businesses are given below -

- (a) trade and investment promotion: Invest Hong Kong (InvestHK), through its overseas offices, actively encouraged foreign wine companies to set up/expand business in Hong Kong, by advertising the relative advantages of Hong Kong as an ideal platform for tapping the Asian market (in particular the Mainland). We in the Commerce and Economic Development Bureau co-ordinated the promotion strategy of relevant agencies, namely the Hong Kong Trade Development Council (TDC), the Hong Kong Tourism Board (HKTB), and InvestHK. HKTB organised the third Wine and Dine Festival in late October 2011. This was followed by TDC's fourth Hong Kong International Wine and Spirits Fair in early November, the largest one of its kind in Asia.

According to the Census and Statistics Department, in the year 2010-11, over 200 companies with wine as their core business were newly established in Hong Kong. Wine-related businesses in Hong Kong continued to thrive in 2011. Wine imports reached \$9.7 billion, representing an increase of 40% relative to 2010. In 2011, Hong Kong also kept its title as the largest wine auction centre in the world, for two consecutive years. The total auction sales amounted to \$1.78 billion;

- (b) facilitating the movement of wine imports into the Mainland: in June 2010, we rolled out with the Mainland Customs facilitation measures for wines imported from Hong Kong. The measures include pre-valuation of duty whilst the wines are in Hong Kong and compression of clearance time at Mainland ports. The measures are being tried out in Shenzhen. So far, more than 40 Hong Kong companies have registered for participation in the scheme. We are now discussing with the Mainland on how to make the scheme more user-friendly, including extending the scheme beyond Shenzhen;
- (c) manpower training and education: the Government has been fostering close liaison between the industry and the training institutions, with a view to allowing the two sides to work together in assessing long-term manpower needs and in mapping out the best way for meeting such needs. Responding to rising demand and driven by market forces, public as well as private training institutions are enriching/expanding their wine appreciation courses and developing enhanced manpower training programmes.

For instance, the Vocational Training Council (VTC) has been expediting the launching of new wine-related courses and modules since 2009 and strengthening its partnership with overseas institutions. This enhances the training that VTC offers to personnel ranging from sommeliers to frontline catering staff. There are 1 900 places in the 2011-12 academic year, and the figure will grow to 2 200 in 2012-13. VTC will also establish an International Cuisine College in 2014. As part of our efforts to sustain the development of wine-related business in Hong Kong, the College is to provide training on food and wine pairing, wine appreciation and other wine-related matters.

We have also encouraged partnership between local and overseas training institutions through the co-operation agreements signed with our trading partners. For example, the School of Professional and Continuing Education of the University of Hong Kong partnered with a French institution to launch the first Master of Business Administration's programme in Hong Kong on wine. The programme seeks to nurture managers with a good understanding of the wine business environment. At present, a total of 50 places are offered under the programme. The first batch of students graduated in 2011;

- (d) wine storage: with the assistance of the Government, the Hong Kong Quality Assurance Agency launched a scheme for accrediting storage facilities in late 2009. At present, 32 facilities have been accredited. The scheme has been expanded to the retail/consumption and transportation sectors in 2011, covering the whole supply chain. According to our survey in 2011, the total floor area for wine storage run by the accredited companies has increased by 60%, relative to the capacity available before wine duty exemption. We are examining ways to further refine the scheme, with a view to attracting more Asian investors to store their investment-grade wines in Hong Kong;
- (e) combating counterfeit wine: the Customs and Excise Department (C&ED) has established a dedicated investigation team since August 2008 to tackle counterfeit wine. In October 2008, the Department formed an alliance with the industry for strengthening co-operation in intelligence collection and enhancing their capacity in monitoring market activities. In May 2011, they set up a specialist team under the alliance, drawing in experts to assist in enforcement against counterfeit wine. C&ED has also established a liaison network with overseas and Mainland enforcement agencies for the purpose of enhancing its capability in intercepting suspected counterfeit wine and verifying wine authenticity; and

- (f) up to 2011, we have signed co-operation agreements with 12 major wine-producing countries/regions, including France (and its Bordeaux and Burgundy regions), the USA (and its Washington and Oregon states), Portugal, Spain, Australia, Chile, Italy, Hungary and New Zealand to strengthen promotional activities in areas including wine-related trade, investment and tourism, etc..

In 2011, the local government in Burgundy organised a large-scale wine promotion event in Hong Kong for the first time. Italy was the partner country for TDC's International Wine and Spirits Fair. For our co-operation agreement with Bordeaux, we signed a supplementary agreement with them in 2011 for the purpose of strengthening our collaborations in the Wine and Dine Festival. Bordeaux would endeavour to bring more wine and food traders to the event.

In 2012-13, the Government will continue to roll forward and keep up the momentum of our work, for the purpose of sustaining the development of wine-related businesses.

We coped with the workload arising from the implementation of the above measures through re-deployment of existing resources. The related expenditure was subsumed under the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately. Other than that, the main expenses went to two key wine-related promotion events. They were the Hong Kong Wine and Dine Festival organised by HKTB and the Hong Kong International Wine and Spirits Fair staged by TDC. The costs were recovered through government subvention, charging of fees or commercial sponsorship.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)046

Question Serial No.

1770

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 efforts in promoting and expanding co-operation with Taiwan on trade, investment and tourism fronts, please advise on the specific plans to promote the economic and trade co-operation between Hong Kong and Taiwan, and the resources involved in the financial year 2012-13.

Asked by : Hon. LEE Wai-king, Starry

Reply :

The Hong Kong Special Administrative Region Government will continue to actively promote co-operation with Taiwan in the areas of trade, investment and tourism. Relevant work would include –

- On trade promotion, the Hong Kong Trade Development Council (HKTDC) Taipei Office will continue to promote Hong Kong's services industries. HKTDC will encourage Taiwan brands to co-operate with Hong Kong companies, and to leverage on Hong Kong's services platform to tap overseas and Mainland markets together. In 2012-13, HKTDC will continue to promote trade and business co-operation between Hong Kong and Taiwan by means of different programmes such as organising trade fairs, outbound missions, symposiums, seminars, roadshows and business matching activities, etc. The estimated budget of HKTDC for trade promotion in Taiwan in 2012-13 is about \$6 million.
- On investment promotion, Invest Hong Kong (InvestHK) will continue to step up its promotional efforts in Taiwan, which include organising various programmes, to encourage and assist Taiwan companies to set up or expand their business in Hong Kong. In 2012-13, through its new investment promotion unit in the Hong Kong Economic, Trade and Cultural Office in Taiwan, InvestHK will reach out proactively to a wide spectrum of Taiwan companies and conduct investment promotion visits in different cities in Taiwan. InvestHK will also maintain close liaison with the Taiwan business community and representatives of Taiwan business associations in Hong Kong and provide them with the necessary support. The estimated budget of InvestHK for investment promotion in Taiwan in 2012-13 is about \$1.1 million.

- On tourism, Taiwan is Hong Kong's second largest source market. The Hong Kong Tourism Board (HKTB) established an official office in Taipei in September 2011, which would further strengthen HKTB's presence and its promotion work in Taiwan, and deepen the exchanges and collaboration between the travel trade of the two places. In 2012-13, HKTB will continue its efforts in carrying out active promotion work in the Taiwan market. It will target at family and young visitor segments to attract more overnight vacation visitors to Hong Kong, and will step up its promotion work in the second-tier cities in Taiwan (such as Taichung and Kaohsiung). The estimated marketing budget of HKTB for Taiwan in 2012-13 is about \$11.7 million.

Moreover, the Government will continue to, through the platform of "Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council" and "Hong Kong – Taiwan Business Co-operation Committee" of Hong Kong, and the "Taiwan-Hong Kong Economic and Cultural Co-operation Council" and "Economic Co-operation Committee" of Taiwan, enhance multi-faceted and in-depth exchanges between Hong Kong and Taiwan and strengthen bilateral economic co-operation, with a view to promoting economic and trade development of the Mainland, Hong Kong and Taiwan.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)047

Question Serial No.

1771

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 2012-13? How do the figures compare with those of 2011-12?

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 service providers, including opening up the Mainland professional qualification examinations to eligible Hong Kong residents, encouraging mutual recognition of professional qualifications, 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 implementation problems of liberalisation measures related to professional services.

During 2012-13, relevant bureaux and departments will, taking account of the requests and views of the professional sectors, continue to discuss with the respective Mainland authorities to further facilitate eligible Hong Kong residents or professionals in obtaining Mainland professional qualifications and registration, as well as in practising and setting up businesses in the Mainland. We will also actively seek to resolve implementation problems in these areas.

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; TID oversees bilateral discussions on further liberalisation and implementation of liberalisation measures under CEPA; and individual bureaux and departments deal with liberalisation and specific implementation issues in the relevant service sectors. The resource requirements are absorbed by relevant bureaux/departments respectively, and we do not have information on the actual amount involved.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)048

Question Serial No.

1772

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 paragraph 36 of the Budget Speech that the Government will enhance the existing Small and Medium Enterprises (SME) Financing Guarantee Scheme.

Please provide the following information on the SME Financing Guarantee Scheme since its introduction last year.

- (a) the number of applications approved under the Scheme;
- (b) the band of loan approved for each application; and
- (c) the percentages of various loan guarantee ratios offered and various rates of annual guarantee fee charged in the total number of applications approved.

Asked by : Hon. LEE Wai-king, Starry

Reply :

The Hong Kong Mortgage Corporation Limited (HKMC) introduced a market-oriented and sustainable Small and Medium Enterprises (SME) Financing Guarantee Scheme (SFGS) on 1 January 2011. The Scheme facilitates SMEs in obtaining finance from banks and helps reduce banks' lending risks, thereby contributing to the stability of our banking system. As at 31 January 2012, HKMC has received 250 applications and approved 246 applications under the SFGS. The approved applications involve a total loan amount of around \$840 million and a total guarantee amount of around \$560 million. The remaining applications are under processing.

The breakdowns by loan amount, loan guarantee ratio offered and annual guarantee fee rate of approved applications under SFGS as at 31 January 2012 are set out in Tables 1-3 below respectively -

Table 1 : Breakdown by Loan Amount

Loan Amount	Number of Applications Approved	Total Amount of Loan Approved
Below HK\$1 million	69	\$50.9 million
>HK\$1 million up to HK\$3 million	90	\$196.1 million
>HK\$3 million up to HK\$8 million	69	\$385.5 million
>HK\$8 million up to HK\$12 million	18	\$207.5 million
Total	246	\$840 million

Table 2 : Breakdown by Loan Guarantee Ratio Offered

Loan Guarantee Ratio Offered	Number of Applications Approved	% Against Total
50%	57	23.2%
60%	9	3.6%
70%	180	73.2%
Total	246	100%

Table 3 : Breakdown by Annual Guarantee Fee Rate *

Annual Guarantee Fee Rate	Number of Applications Approved	% Against Total
>0.5% up to 1.0%	25	10.2%
>1.0% up to 1.5%	78	31.7%
>1.5% up to 2.0%	91	37.0%
>2.0% up to 2.5%	48	19.5%
>2.5% up to 3.0%	4	1.6%
Total	246	100%

* Annual guarantee fee rate x loan amount = Annual guarantee fee payable. Annual guarantee fee rate depends on the annual interest rate of the loan and the loan guarantee ratio offered.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)049

Question Serial No.

1773

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 :

It is mentioned in paragraph 124 of the Budget Speech that the Hong Kong Trade Development Council (HKTDC) will step up its efforts to go global jointly with both Mainland and Hong Kong enterprises. Together they will search for merger and acquisition and investment opportunities overseas, providing a win-win situation for all. To this end, the HKTDC plans to organise investment study tours and tours for co-operation on branding, and hold its "Lifestyle Expo" in various overseas cities. Will the Administration inform this Committee of :

- (a) the estimated expenditure for launching the above two activities by the HKTDC in 2012-13; and
- (b) the expenditures on similar projects in the past three years. Please also give an account of the activities in table form.

Asked by : Hon. LEE Wai-king, Starry

Reply :

(a) & (b) The expenditures for the Investment Study Mission, Brand Co-operation Mission and the organisation of "Lifestyle Expo" by the Hong Kong Trade Development Council (TDC) in various overseas cities from 2009-10 to 2012-13 are summarised below: -

Financial Year	2009-10 (\$' 000)	2010-11 (\$' 000)	2011-12 (\$' 000)	2012-13 (\$' 000)
Investment Study Mission	551	512	3,340	5,664
Brand Co-operation Mission	2,219 [#]	-	1,354	1,760

Financial Year	2009-10 <i>(\$' 000)</i>	2010-11 <i>(\$' 000)</i>	2011-12 <i>(\$' 000)</i>	2012-13 <i>(\$' 000)</i>
Lifestyle Expo (*)	24,667	50,769	55,073	55,710

(*): As the global economic development has shifted to the East, TDC plans to strengthen its promotional activities in Asia and host a Lifestyle Expo in one of the Association of Southeast Asian Nations cities in 2012-13.

The expenditure for the brand co-operation mission held in March 2010 has been included in the financial year of 2009-10. Hence, the expenditure in 2009-10 covered two brand co-operation missions.

Signature _____
Name in block letters Andrew HY WONG
Permanent Secretary for Commerce and
Economic Development
Post Title (Commerce, Industry and Tourism)
Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)050

Question Serial No.

1774

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 provide the following information about Ngong Ping 360:

- (a) the patronage of Ngong Ping 360 and number of visitors to Ngong Ping Village in 2011-12;
- (b) the number of failure incidents of Ngong Ping 360, their causes and the expenditures incurred for post-incident remedial measures in the past three years; and
- (c) the total expenditures on routine inspection and maintenance of Ngong Ping 360's cable car system in the past three years.

Asked by : Hon. LEE Wai-king, Starry

Reply :

- (a) In 2011, Ngong Ping 360 (including the cable car system and the Ngong Ping village) recorded a total number of 1.69 million guests.
- (b)-(c) In accordance with the current notification mechanism, Ngong Ping 360 will inform the public through the electronic media if the cable car service is expected to be delayed or suspended for 30 minutes or more. Details of operation-related stoppages which required activation of the notification mechanism from 2009 to January 2012 are shown as follows :

Date	Suspension Period	Reason
2009		
12 May	10:00 – 14:00 (4 hours)	Ropes were overlapped, causing delay in the pre-operation preparation work.

Date	Suspension Period	Reason
9 October	11:40 – 12:00 (20 minutes) (cable car stopped boarding during 11:10 to 11:40, while the ropeway continued to operate to alight passengers)	Repaired an overheated pulley assembly at the Airport Island Angle Station.
2011		
2 January	9:00 – 9:59 (59 minutes)	Delay in the pre-operational works. Adjustment of the transmission belt tension was required at the Ngong Ping Terminal.
8 December	16:35 – 16:51 (16 minutes) Cable car operation was stopped to carry out maintenance and testing. 16:51 – 17:21 (30 minutes) Passenger boarding was stopped. The ropeway still continued to operate until all passengers were alighted. Cable car service resumed on the next day.	Partial wear on the haul rope sheave lining in the Ngong Ping Terminal. After examination, deformation of the surface of the lining in contact with the sheave was found. The acceptance criteria of lining thickness recommended by the manufacturer appeared not sufficient to prevent failure of the lining, and has affected timely replacement.
18 December	14:22 – 15:16 (54 minutes) Passenger boarding was stopped. The ropeway still continued to operate until all passengers were alighted. 15:16 – 16:15 (59 minutes) Cable car operation was stopped to carry out maintenance and testing. 16:15 Cable car service resumed normal.	Fault occurred at a small scale roller bearing of the cabin transportation system in Tung Chung Terminal. After examination, damage was found on a bearing of the roller. Possible causes could be inherent bearing defects or unsatisfactory installation. The roller bearing was replaced overnight as relatively simple procedures and equipment were involved in the replacement work.
22 December	16:40 – 16:53 (13 minutes) Cable car operation was stopped to carry out checking and maintenance. 16:53 – 18:07 (1 hour 14 minutes) Passenger boarding was stopped. The ropeway still continued to operate until all passengers were alighted. Cable car service resumed on the next day.	Fault occurred at the cabin spacer of the Ngong Ping Terminal. After examination, metal particles were found at the planetary gearbox and lubricant oil level was found low.

Date	Suspension Period	Reason
2012		
25 January	14:49 – 15:22 (33 minutes) Cable car operation was stopped to carry out checking and maintenance. 15:22 – 16:53 (1 hour 31 minutes) Passenger boarding was stopped. The ropeway still continued to operate until all passengers were alighted. That night, after initial assessment of the maintenance time needed, cable car service was suspended for 10 days to conduct investigation and replacement works*.	Noise originated from the bearing of a haul rope sheave at the Airport Island Angle Station, requiring a detailed checking and repair. After examination, wear was found on the surface of the haul rope sheave bearing.

* Ngong Ping 360 announced on 3 February the extension of the suspension of cable car service for two months in order to replace the bearings of all seven sets of bullwheels of the ropeway system and advance the annual examination for 2012.

The Ngong Ping 360 Limited is a subsidiary of the MTR Corporation Limited (MTRCL). In accordance with the Tung Chung Cable Car Ordinance, the MTRCL has been granted a franchise to operate, manage and maintain the cable car system, and to determine and collect fares during the franchise period. The operating expenditure of the cable car system (including repair and maintenance) is the commercial decision of the Board of Ngong Ping 360 Limited. The Government does not subvent the operation of Ngong Ping 360, and does not have any information in this regard.

The Ngong Ping 360 Limited places great emphasis on the repair and maintenance of the cable car system. Its management team comprises technical personnel with engineering background. In addition, its 70-member maintenance team operates round the clock to ensure the cable car system operates normally. The company will also increase the manpower for maintenance and repair as and when required.

Signature _____

Name in block letters Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title (Commerce, Industry and Tourism)

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)051

Question Serial No.

1775

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 advise on the expenditure and manpower involved in supporting the further development of wine-related business in Hong Kong.

Asked by : Hon. LEE Wai-king, Starry

Reply :

Details of our efforts in 2011-12 to support the development of wine-related businesses are given below -

- (a) trade and investment promotion: Invest Hong Kong (InvestHK), through its overseas offices, actively encouraged foreign wine companies to set up/expand business in Hong Kong, by advertising the relative advantages of Hong Kong as an ideal platform for tapping the Asian market (in particular the Mainland). We in the Commerce and Economic Development Bureau co-ordinated the promotion strategy of relevant agencies, namely the Hong Kong Trade Development Council (TDC), the Hong Kong Tourism Board (HKTB), and InvestHK. HKTB organised the third Wine and Dine Festival in late October 2011. This was followed by TDC's fourth Hong Kong International Wine and Spirits Fair in early November, the largest one of its kind in Asia.

According to the Census and Statistics Department, in the year 2010-11, over 200 companies with wine as their core business were newly established in Hong Kong. Wine-related businesses in Hong Kong continued to thrive in 2011. Wine imports reached \$9.7 billion, representing an increase of 40% relative to 2010. In 2011, Hong Kong also kept its title as the largest wine auction centre in the world, for two consecutive years. The total auction sales amounted to \$1.78 billion;

- (b) facilitating the movement of wine imports into the Mainland: in June 2010, we rolled out with the Mainland Customs facilitation measures for wines imported from Hong Kong. The measures include pre-valuation of duty whilst the wines are in Hong Kong and compression of clearance time at Mainland ports. The measures are being tried out in Shenzhen. So far, more than 40 Hong Kong companies have registered for participation in the scheme. We are now discussing with the Mainland on how to make the scheme more user-friendly, including extending the scheme beyond Shenzhen;

- (c) manpower training and education: the Government has been fostering close liaison between the industry and the training institutions, with a view to allowing the two sides to work together in assessing long-term manpower needs and in mapping out the best way for meeting such needs. Responding to rising demand and driven by market forces, public as well as private training institutions are enriching/expanding their wine appreciation courses and developing enhanced manpower training programmes.

For instance, the Vocational Training Council (VTC) has been expediting the launching of new wine-related courses and modules since 2009 and strengthening its partnership with overseas institutions. This enhances the training that VTC offers to personnel ranging from sommeliers to frontline catering staff. There are 1 900 places in the 2011-12 academic year, and the figure will grow to 2 200 in 2012-13. VTC will also establish an International Cuisine College in 2014. As part of our efforts to sustain the development of wine-related business in Hong Kong, the College is to provide training on food and wine pairing, wine appreciation and other wine-related matters.

We have also encouraged partnership between local and overseas training institutions through the co-operation agreements signed with our trading partners. For example, the School of Professional and Continuing Education of the University of Hong Kong partnered with a French institution to launch the first Master of Business Administration's programme in Hong Kong on wine. The programme seeks to nurture managers with a good understanding of the wine business environment. At present, a total of 50 places are offered under the programme. The first batch of students graduated in 2011;

- (d) wine storage: with the assistance of the Government, the Hong Kong Quality Assurance Agency launched a scheme for accrediting storage facilities in late 2009. At present, 32 facilities have been accredited. The scheme has been expanded to the retail/consumption and transportation sectors in 2011, covering the whole supply chain. According to our survey in 2011, the total floor area for wine storage run by the accredited companies has increased by 60%, relative to the capacity available before wine duty exemption. We are examining ways to further refine the scheme, with a view to attracting more Asian investors to store their investment-grade wines in Hong Kong;
- (e) combating counterfeit wine: the Customs and Excise Department (C&ED) has established a dedicated investigation team since August 2008 to tackle counterfeit wine. In October 2008, the Department formed an alliance with the industry for strengthening co-operation in intelligence collection and enhancing their capacity in monitoring market activities. In May 2011, they set up a specialist team under the alliance, drawing in experts to assist in enforcement against counterfeit wine. C&ED has also established a liaison network with overseas and Mainland enforcement agencies for the purpose of enhancing its capability in intercepting suspected counterfeit wine and verifying wine authenticity; and
- (f) up to 2011, we have signed co-operation agreements with 12 major wine-producing countries/regions, including France (and its Bordeaux and Burgundy regions), the USA (and its Washington and Oregon states), Portugal, Spain, Australia, Chile, Italy, Hungary and New Zealand to strengthen promotional activities in areas including wine-related trade, investment and tourism, etc..

In 2011, the local government in Burgundy organised a large-scale wine promotion event in Hong Kong for the first time. Italy was the partner country for TDC's International Wine and Spirits Fair. For our co-operation agreement with Bordeaux, we signed a supplementary agreement with them in 2011 for the purpose of strengthening our collaborations in the Wine and Dine Festival. Bordeaux would endeavour to bring more wine and food traders to the event.

In 2012-13, the Government will continue to roll forward and keep up the momentum of our work, for the purpose of sustaining the development of wine-related businesses.

We coped with the workload arising from the implementation of the above measures through re-deployment of existing resources. The related expenditure was subsumed under the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately. Other than that, the main expenses went to two key wine-related promotion events. They were the Hong Kong Wine and Dine Festival organised by HKTB and the Hong Kong International Wine and Spirits Fair staged by TDC. The costs were recovered through government subvention, charging of fees or commercial sponsorship.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)052

Question Serial No.

1776

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 respect of the local exhibitions organised by the Hong Kong Trade Development Council (HKTDC) in 2011-12, please set out the expenditure and revenue as well as their respective percentages accounted for in the HKTDC's overall expenditure and revenue.

Asked by : Hon. LEE Wai-king, Starry

Reply :

The Hong Kong Trade Development Council (TDC)'s expenditure in organising local exhibitions, the percentage it accounted for in the overall expenditure, the amount of revenue generated from local exhibitions organised by TDC, and the percentage it accounted for in the overall revenue in 2011-12 are tabulated as follows-

	2011-12[^]
TDC's expenditure on local exhibitions #	\$1,102 million
TDC's overall expenditure	\$2,484 million
Expenditure on local exhibitions as a percentage of TDC's overall expenditure	44%

	2011-12[^]
TDC's revenue from local exhibitions	\$1,370 million
TDC's overall revenue	\$2,475 million
Revenue on local exhibitions as a percentage of TDC's overall revenue	55%

Note: From 2009-10 and onwards, TDC's expenditures include financial cost.

The expenditure on local exhibitions includes direct cost as well as the costs attributable to the operation of exhibitions, e.g. staff costs, costs for local and overseas branch offices, booth design, data intelligence, IT support and capital expenditure, etc.

^ Figures to be finalised at the end of financial year.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)053

Question Serial No.

1777

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 :

- (a) It was pointed out in paragraph 129 of the Budget Speech that the Government would propose to allocate \$150 million to the Mega Events Fund and extend its operation for five years. Please tabulate the allocation for relevant events by the Fund in the past 3 years, including the amounts for the events involved in the vetting of funding applications, the title and nature of the events, the organisers, the dates of the events and the latest balance of the Fund.
- (b) What are the number of events not approved in each of the past 3 years? What are the main reasons?
- (c) The Government indicated that the Mega Events Fund Assessment Committee had been invited to study ways of giving the Fund more flexibility to facilitate its effective operation. What does it refer to?

Asked by : Hon. LEE Wai-king, Starry

Reply :

- (a) The Mega Events Fund (MEF) was established in 2009, following funding approval of the Finance Committee of the Legislative Council (LegCo). Since its inception, six rounds of applications have been invited and a total sum of \$51.3 million has been granted to support 16 mega events. Details of the events and their respective amount of funding are highlighted below.

Project title	Organiser	Nature	Time	Upper limit of funding
Swire "Symphony Under the Stars"	Hong Kong Philharmonic Orchestra	Large-scale outdoor classical concert	13 November 2009	\$1.4 million
Hong Kong Tennis Classic 2010	Hong Kong Tennis Patrons' Association Limited	International tennis tournament	6 - 9 January 2010	\$9 million

Project title	Organiser	Nature	Time	Upper limit of funding
Mui Wo Water Lantern and Sky Lantern Festival	Hung Shing Festival Preparatory Committee Limited	Traditional cultural activity	26 - 29 March 2010	\$1.5 million
Hong Kong 2010 International a cappella Festival	The Hong Kong Federation of Youth Groups	Large-scale music festival	27 March – 22 April 2010	\$0.8 million
Hong Kong Musical Festival	Springtime Experimental Theatre Perry Chiu Experimental Theatre Ah Lo Productions Chung Ying Theatre Company	Large-scale musical opera festival	29 March – 21 April 2010	\$2.5 million
Hope and Glory	The Birch Foundation	Large-scale multi-media arts exhibition	8 April – 30 May 2010	\$2 million
Hong Kong Dragon Boat Carnival	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	23-25 July 2010	\$5 million
Record Breaking Dragon and Lion Dance Extravaganza	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2011	\$1 million
Hong Kong Tennis Classic 2011	Hong Kong Tennis Patrons' Association Limited	International tennis tournament	5-8 January 2011	\$5 million
Hong Kong Well-wishing Festival	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	11-17 February 2011	\$1.8 million
Hong Kong Dragon Boat Carnival 2011	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	17-19 June 2011	\$4 million

Project title	Organiser	Nature	Time	Upper limit of funding
Hong Kong International Jazz Festival 2011	Hong Kong Jazz Association	Large-scale music festival	25 September – 2 October 2011	\$3 million
Hong Kong Cricket Sixes 2011	The Hong Kong Cricket Association	International cricket tournament	28 - 30 October 2011	\$3.5 million
UBS Hong Kong Open Championship 2011	Hong Kong Golf Association Limited	International golf tournament	1 - 4 December 2011	\$8 million
Dragon and Lion Dance Extravaganza	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2012	\$1.4 million
Hong Kong Well-wishing Festival 2012	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	23 January – 6 February 2012	\$1.4 million

The three-year MEF approved by LegCo will expire by the end of March 2012. After deducting \$8.7 million reserved in 2012-13 for paying the outstanding balance in respect of those MEF supported events completed before the end of March 2012, the remaining balance (around \$40 million) will lapse automatically.

- (b) In the past three financial years, there were 21, 13 and eight unsuccessful applications for the MEF respectively. The MEF has a strict and open assessment mechanism. The MEF Assessment Committee considers all the applications in detail. Successful applications must fulfil certain basic criteria. For instance, the proposed event must be an arts, cultural or sports event; the organiser(s) must be local non-profit-making organisation(s); and the number of participants in the proposed event must exceed 10 000. To pass the assessment, the proposed event is also required to attain passing marks for each of the assessment criteria including economic benefits, publicity benefits, scale of the event, technical and financial feasibility, as well as the applicants' event management capabilities, etc. The MEF Assessment Committee has been assessing each of the applications carefully in accordance with the open assessment mechanism. Applications failing to meet any of the assessment criteria will be rejected.

It is the established practice for the MEF Assessment Committee not to disclose the identity of unsuccessful applicants or the details of their applications without the consent of the applicants. Nevertheless, the Secretariat of the MEF Assessment Committee will notify unsuccessful applicants individually and give an account of the reasons for their unsuccessful applications upon request, with a view to assisting the applicants to make improvements in future applications.

- (c) In his 2012-13 Budget, the Financial Secretary has proposed to allocate another \$150 million to the MEF and extend its operation for five years. The MEF Assessment Committee is studying ways of giving the MEF more flexibility to facilitate its effective operation. We wish to finalise detailed modus operandi of the new scheme and consult the Economic Development Panel of LegCo on the proposal as soon as possible. Our plan is to seek funding approval from the Finance Committee within this legislative year.

Signature	_____
Name in block letters	<u>Andrew HY WONG</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)</u>
Date	<u>29.2.2012</u>

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

Reply Serial No.

CEDB(CIT)054

Question Serial No.

1778

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

Subhead (No. & title) :

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 :

According to paragraph 130 of the Budget Speech, the Government estimates that the total number of hotels will increase by nearly 50 to close to 240 in 2016, supplying over 71 000 rooms, an increase of 9 000 rooms. Please provide the following data:

- (a) the average hotel room occupancy rates in Hong Kong during the low and peak seasons in the past three years;
- (b) the respective percentages of visitor patronage for hotels/guesthouses of different ratings;
- (c) the number of additional hotels of various star ratings (the highest being six-star) to be built between 2012 to 2016, as well as the districts they are in; and
- (d) crude estimation on the growth of visitor arrivals between 2011 and 2016. What are the estimated changes in the percentage of overnight visitors?

Asked by : Hon. LEE Wai-king, Starry

Reply :

- (a) The monthly average occupancy rates of hotel rooms in Hong Kong over the past three years are as follows –

% Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009	79	76	82	79	64	61	71	82	76	84	89	90
2010	87	79	88	86	84	82	88	88	82	89	93	93
2011	87	85	91	88	88	87	93	92	84	89	94	93

- (b) We do not have the data on the number of visitors living in each category of hotels and guesthouses. The number of hotel and guesthouse rooms and their corresponding average occupancy rates are provided for reference.

The number of hotel and guesthouse rooms in Hong Kong over the past three years

Rooms Year	High Tariff A Hotels	High Tariff B Hotels	Medium Tariff Hotels	All Hotels	Guesthouses
2009	15 116	21 638	17 342	59 627	5 759
2010	16 052	21 432	17 591	60 428	5 926
2011	17 181	24 218	16 945	62 830	6 211

The average occupancy rates for hotel and guesthouse rooms in Hong Kong over the past three years

% Year	High Tariff A Hotels	High Tariff B Hotels	Medium Tariff Hotels	All Hotels	Guesthouses
2009	72	81	80	78	70
2010	81	88	90	87	82
2011	85	91	93	89	86

- (c) There is no star classification system for hotels in Hong Kong. In 2001, the Hong Kong Tourism Board (HKTB) modified the hotel classification system. It contains five key indicators including hotel achieved room rates, staff to room ratio, location, facilities and business mix of hotels. A composite score of a hotel is compiled based on the scores obtained for these five indicators and the weights of the indicators. Based on the composite score, all hotels are classified into three categories namely high tariff A hotels, high tariff B hotels and medium tariff hotels. Since some of the aforementioned indicators are not yet available for the new hotels expected for completion between 2012 and 2016, we are not able to classify them into different categories.

Based on the HKTB's information up to end-December 2011, the geographical distribution of new hotels between 2012 and 2016 is as follows –

Location	Estimated number of new hotel between 2012 and 2016 (estimated new hotel rooms)
Hong Kong Island	+24 (+3,639 rooms)
Kowloon	+22 (+3,623 rooms)
New Territories	+8 (+2,536 rooms)
Total	+54 (+9,798 rooms)

- (d) According to the HKTB's estimates, total visitor arrivals growth rate is expected to decline from 16.4% in 2011 to 5.5% in 2012. The proportion for overnight visitors is expected to decline slightly from 53.2% in 2011 to 52.2% in 2012, yet the number of overnight visitors is expected to increase by 3.4% in 2012. According to the earlier forecast made by the United Nations World Tourism Organisation, the annual average growth rate for Hong Kong between now and before 2020 is estimated at 7.1% per annum.

The HKTB does not have specific estimates for total visitor arrivals growth rate and the proportion of overnight visitor arrivals between 2013 and 2016. The corresponding data for the past three years is provided for reference.

Year	Overall visitor arrivals growth rate as compared to preceding year	Proportion of overnight visitor arrivals among total visitor arrivals
2009	+0.3%	57.2%
2010	+21.8%	55.7%
2011	+16.4%	53.2%
Average annual growth rate between 2009 and 2011	+12.4%	N/A

Signature _____

Name in block letters Andrew HY WONG

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

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)055

Question Serial No.

2275

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 Consumer Council plans to carry out 36 in-depth studies in 2013. What is the nature of these studies? What is the estimated expenditure involved? The number of in-depth studies in 2012 is 10% less than those in 2011 and 2010. What are the reasons?

Asked by : Hon. LEE Wai-king, Starry

Reply :

Each year, the Consumer Council (CC) conducts product tests, studies of general interest, in-depth researches and consumer surveys. Generally speaking, manpower and resources are deployed in accordance with the respective resource demands of researches and studies scheduled for the year. For example, if product tests in a year require substantial resources, resources for surveys or topical researches might need to be adjusted, and vice versa.

“In-depth studies” are studies on products, services or prices that are not classified as product tests or surveys. These studies generally do not require purchase of large test samples. Nevertheless, they often require substantial human resources for data collection and in-depth analysis. For instance, in 2011, the CC conducted in-depth studies on private columbarium and online group purchases. The head-count and salaries of officers involved have been subsumed into the CC's establishment and provision. It is difficult to quantify them separately.

The CC plans to conduct 36 in-depth studies in 2012, slightly less than 40 in 2011. The main reason is that the CC estimates that in view of the increased number of product tests in 2011 when comparing with that of 2010, the trend of increased need for product tests may sustain in 2012. We would however like to point out that the CC will exercise flexibility and may adjust the number of the various types of studies to be conducted in the light of changing demands within the year.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)056

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 :

What is the legislative progress on tackling unfair trade practices? What is the expected date of implementation? Has any provision been earmarked this year for implementing the legislation? If yes, what is the amount of provision? What is the work plan? If not, when will the work be carried out?

Asked by : Hon. LEE Wai-king, Starry

Reply :

The Government is committed to tackling unfair trade practices with a view to protecting consumer interests and ensuring a level playing field for business. Last year, we issued a consultation report in respect of the public consultation we conducted in 2010 and briefed the Panel on Economic Development of this Council on the consultation outcome and way forward. The Trade Descriptions (Unfair Trade Practices) (Amendment) Bill 2012 was gazetted on 24 February 2012 and was introduced into the Legislative Council for first and second reading on 29 February 2012. We will work closely with the Council with a view to completing the scrutiny of the Bill as soon as possible.

As regards the manpower and expenditure in relation to the legislative exercise, the head-count and salaries of officers involved 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 Andrew HY WONG

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

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)057

Question Serial No.

2277

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 undertaken to enhance the promotion and public education for the implementation of the Pyramid Schemes Prohibition Ordinance, so as to let the public understand the differences between pyramid selling and legitimate multi-level marketing schemes. What is the amount of expenditure reserved for the work in 2012-13 and what are the details of work?

Asked by : Hon. LEE Wai-king, Starry

Reply :

To prepare for the commencement of the Pyramid Schemes Prohibition Ordinance (Cap. 617) (the Ordinance) with effect from 1 January 2012, we earmarked about \$0.5 million in 2011-12 for publicity and educational activities, including -

- publishing feature articles in the “Choice” magazine published by the Consumer Council;
- putting up posters at various districts;
- launching a TV / radio Announcements of Public Interest; and
- broadcasting feature episodes in the “Police Magazine” of the Police Public Relations Branch.

These activities aim to promote public understanding of the Ordinance, increase public awareness of various types of dubious schemes and further enhance public awareness of the scourge of pyramid schemes and the difference between these schemes and legitimate multi-level marketing schemes. We will continue to work in this area in 2012-13.

As regards manpower, the head-count and salaries of officers involved 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	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)058

Question Serial No.

2789

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 this Committee on the expenditures of Hong Kong Tourism Board on promoting Hong Kong tourism to overseas markets under the estimate for 2012-13 and the revised estimate for 2011-12. Please list the expenditures by major target markets.

Asked by : Hon. LEE Wai-king, Starry

Reply :

In 2011-12, the Hong Kong Tourism Board (HKTB) launched promotional activities in 20 key source markets around the world. In 2012-13, the HKTB will maintain a diverse marketing portfolio while focusing on these 20 markets in attracting visitors to Hong Kong.

The marketing expenditure of the HKTB in the 20 key visitor source markets in 2011-12 (revised estimate) and the proposed budget in 2012-13 are as follows:

	2011-12 Revised Estimate (HK\$ million)	2012-13 Proposed Budget (HK\$ million)
<i>Mainland China – Total</i>	<i>53.4</i>	<i>55.1</i>
<i>Short-haul Markets – Total</i>	<i>46.0</i>	<i>51.1</i>
Japan	14.1	13.7
Taiwan	11.0	11.7
South Korea	9.7	11.3
Singapore	2.6	3.7
The Philippines	3.0	3.5
Malaysia	2.5	2.8
Indonesia	1.0	2.3
Thailand	2.1	2.1

	2011-12 Revised Estimate (HK\$ million)	2012-13 Proposed Budget (HK\$ million)
<i>Long-haul Markets – Total</i>	<i>51.1</i>	<i>43.4</i>
The US	17.3	15.6
Australia	10.5	10.2
The UK	12.3	7.1
Canada	4.5	4.0
Germany	3.5	3.5
France	3.1	3.0
<i>Emerging Markets – Total</i>	<i>22.9</i>	<i>30.9</i>
India	10.7	12.5
Russia	4.5	6.5
The Middle East	3.8	5.6
Vietnam	2.3	3.5
The Netherlands	1.6	2.8
<i>Non-key Markets & Exchange Reserve</i>	<i>2.4</i>	<i>2.0</i>
Total Estimated Marketing Budget for Source Markets	175.8	182.5

Remark: Due to rounding, the total may differ from the sum of individual figures.

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

Signature _____
Name in block letters **Andrew HY WONG**
Permanent Secretary for Commerce and
Economic Development
Post Title **(Commerce, Industry and Tourism)**
Date **29.2.2012**

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

Reply Serial No.

CEDB(CIT)059

Question Serial No.

2790

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 :

How much resources will be allocated by the Government in the 2012-13 financial year to support the Consumer Legal Action Fund?

Asked by : Hon. LEE Wai-king, Starry

Reply :

Upon the establishment of the Consumer Legal Action Fund (CLAF) in 1994, the Government injected \$10 million into the Fund. Subsequently, in May 2010, an additional \$10 million was injected. As at 31 December 2011, the balance of the CLAF stood at \$19.83 million. To ensure that sufficient resources are available under the CLAF to assist consumers with meritorious claims, the Government will closely liaise with its trustee, i.e. the Consumer Council, and monitor its financial position.

Signature _____

Name in block letters Andrew HY WONG

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

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)060

Question Serial No.

1188

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 states in paragraph 120 of the Budget Speech that it is proposed to set up a dedicated fund of \$1 billion. The fund aims to help Hong Kong enterprises tap the Mainland market by restructuring and upgrading their operations, developing their brands and expanding domestic sales in the Mainland. Please provide details on the dedicated fund, its various items and the funding required for each item.

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

To support Hong Kong enterprises, in particular small and medium enterprises, to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011-12 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland.

The fund would comprise two parts:

- (i) to provide funding support to individual Hong Kong companies to assist them in undertaking projects to develop brands, upgrade and restructure their business operations and promote sales in the Mainland market, so as to enhance their competitiveness and facilitate their business development in the Mainland market; and
- (ii) to provide funding support to non-profit-distributing organisations for them to undertake large-scale projects which aim to assist Hong Kong enterprises in general or in specific sectors to develop brands, upgrade and restructure business operations and promote sales in the Mainland market, so as to enhance their competitiveness in the Mainland market.

We have consulted the trade earlier and are finalising the operation details of the fund. We plan to seek funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid 2012.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)061

Question Serial No.

0111

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 :

As stated in paragraphs 123 and 124 of the Budget Speech, the HKSAR Government will actively complement our country's accelerated implementation of the policy of encouraging Mainland enterprises to go global. Apart from the Hong Kong Trade Development Council, will the administration consider cooperating with local enterprises in encouraging joint ventures between multinational corporations with international experiences and Mainland enterprises seeking to go global, with local enterprises acting as intermediaries?

Asked by : Hon. LEUNG LAU Yau-fun, Sophie

Reply :

The Government has been facilitating Mainland enterprises which would like to "go global" to explore business opportunities through various parties, including the Hong Kong Trade Development Council (TDC) and Invest Hong Kong (InvestHK).

In 2012-13, TDC plans to organise more road shows relating to the business opportunities in the Peal River Delta Region in the USA and Europe. It will organise three Lifestyle Expos with Guangdong Province, in Jakarta of Indonesia in March 2012, in Warsaw of Poland in September 2012 and in New Delhi of India in March 2013, to promote the high quality products from both sides.

Moreover, TDC will organise a joint mission to Italy and France with the Mainland's department store sector in March this year, to explore possible co-operation with the local brands there. A joint out-reaching mission to Germany will be organised in May 2012 together with Guangdong Province to search for suitable overseas companies for acquisition.

InvestHK will proactively reach out to potential investors on the Mainland and promote the business environment of Hong Kong through organising marketing activities such as seminars and exhibitions, company visits and providing practical assistance to the Mainland companies both in Hong Kong and on the Mainland. In collaboration with the Mainland authorities and business associations, InvestHK will also organise investment promotion seminars in high-growth cities like Wuhan, Shanghai, Chongqing, Tangshan, Xi'an, Xiamen, Nanchang and

the Pearl River Delta region to promote Hong Kong's strengths in various services sectors and the advantages of Hong Kong being a suitable platform for Mainland companies to go global and develop their overseas operations.

InvestHK will also organise programmes to provide networking opportunities for Mainland and Hong Kong companies. This will help strengthen their co-operation and enhance the potential for Mainland companies to expand their operations overseas by making use of the business and professional services provided by Hong Kong.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)062

Question Serial No.

2257

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 2011-12 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 2012-13, as well as the projected areas of study.

Asked by : Hon. LI Kwok-po, David

Reply :

The Tourism Commission under the Commerce and Economic Development Bureau is tasked with formulating tourism development policy and strategy, as well as conducting related studies. The Tourism Commission entered into two consultancy contracts related to travel and tourism in 2011-12, and plans to undertake one consultancy study in 2012-13. The subjects covered and the contract values are set out as follows:

Year	Area of Study	Value of Contract HK\$
2011-12	Consultancy study to examine the business and financial viability of the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market	1,068,000
	Consultancy study to assess the proposals and related matters in connection with the Tai Shue Wan Redevelopment at Ocean Park (remark: tender exercise is in progress and the contract is expected to commence by early March 2012)	1,200,000
	Total	2,268,000

Year	Area of Study	Value of Contract HK\$
2012-13	Consultancy study to identify suitable international mega events to be introduced into Hong Kong under the Mega Events Fund's new system	1,000,000
	Total	1,000,000

Signature _____

Name in block letters Andrew HY WONG

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

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)063

Question Serial No.

0631

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 task to “press ahead with the passage of the Competition Bill and begin preparatory work on the establishment of a Competition Commission and a Competition Tribunal”,

- (a) What is the approximate estimated expenditure of the Bureau in this area for 2012-13?
- (b) What are the number and ranks of officers responsible for this task?
- (c) Whether the input of money and human resources is adequate to ensure the passage of the Competition Bill in 2012-13 and whether preparatory work on the establishment of a Competition Commission and a Competition Tribunal has begun?
- (d) What items are included in the concrete action plan?
- (e) What is the progress or timetable in 2012-13?

Asked by : Hon. LI Wah-ming, Fred

Reply :

In 2012-13, we have earmarked \$80.7 million under Programme (4) for the establishment and operation of the Competition Commission (the Commission) in the year of 2012-13 should the Competition Bill (the Bill) be enacted within 2012-13. The provision is mainly for the recruitment and employment of the Commission's staff, the leasing of the Commission's office accommodation, and research and promotional work of the Commission. The actual work plan and expenditure will depend on the legislative progress of the Bill. To this end, we are working closely with the Legislative Council on its scrutiny of the Bill to enable its passage within the 2011-12 legislative session.

The work relating to the Bill and the establishment of the Commission will be carried out through existing staff establishment under Head 152 and cannot be itemized separately. As regards the provisions and staffing for the preparatory work relating to the establishment of the Competition Tribunal, they are reflected in Head 80 – Judiciary.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)064

Question Serial No.

0632

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 task to “continue to take forward the bill on unfair trade practices”,

- (a) what is the approximate estimated expenditure of the Bureau in this area for 2012-13?
- (b) what are the number and ranks of officers responsible for this task?;
- (c) whether the input of money and human resources is adequate to ensure that the work to amend the Trade Descriptions Ordinance can be completed in 2012-13?
- (d) what items are included in the concrete action plan?
- (e) what is the progress or timetable in 2012-13.

Asked by : Hon. LI Wah-ming, Fred

Reply :

The Government is committed to tackling unfair trade practices with a view to protecting consumer interests and ensuring a level playing field for business. Last year, we issued a consultation report in respect of the public consultation we conducted in 2010 and briefed the Panel on Economic Development of this Council on the consultation outcome and way forward. The Trade Descriptions (Unfair Trade Practices) (Amendment) Bill 2012 was gazetted on 24 February 2012 and was introduced into the Legislative Council for first and second reading on 29 February 2012. We will work closely with the Council with a view to completing the scrutiny of the Bill as soon as possible.

As regards the manpower and expenditure in relation to the legislative exercise, the head-count and salaries of officers involved 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	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)065

Question Serial No.

1595

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 efforts to “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 advise :

- (a) What is the Bureau’s estimated expenditure in this regard for 2012-13?
- (b) How many principal officers will oversee these efforts and what will be their ranks?
- (c) What items does the actual work plan cover?
- (d) What will be the expected progress and timetable for 2012-13?

Asked by : Hon. LI Wah-ming, Fred

Reply :

In 2012-13, the Commerce and Economic Development Bureau will continue to encourage and assist Hong Kong enterprises in upgrading and restructuring, relocating their operations and opening up new markets so as to adjust to changes in the Mainland’s policy on processing trade through the following work:

- maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand the trade’s concerns and views; and 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 relay to them the trade’s views and to discuss with them the trade’s proposed measures;
- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities such as symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade’s understanding of the Mainland’s new policies, legislation and business environment. TID’s website includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland;

- organising promotional activities and trade fairs and organising delegations to visit the Mainland through the Hong Kong Trade Development Council (HKTDC), 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, management improvement, branding and market development, etc., and Mainland market information through the HKTDC and the Hong Kong Productivity Council, etc.; 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, business restructuring and relocation.

The Mainland authorities have responded positively to many proposals of the Hong Kong Special Administrative Region Government and the trade. Various facilitation and support measures were launched in the past few years, including the implementation of "restructuring without stopping production" and "consolidated tax return for multiple domestic sales". The Guangdong Province also organised a seminar in Hong Kong in December 2011 to introduce 30 related policy measures, with a view to further enhancing support for the restructuring and upgrading by enterprises and their tapping into the Mainland domestic market.

According to the figures provided by the Guangdong Provincial Government, there were about 11 000 enterprises engaged in processing trade (which are not legal persons) as at end 2011, of which 4 450 have successfully restructured into one of the three types of foreign-funded enterprises (about 90% of them are Hong Kong enterprises).

The manpower and expenditure of the above-mentioned work have been subsumed within the establishment and provision for this Bureau and relevant departments and organisations. It is difficult to quantify them separately.

To support Hong Kong enterprises, in particular SMEs, to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011-12 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland. We have consulted the trade earlier and are finalising the operation details of the fund. We plan to seek funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid 2012.

Signature	_____
Name in block letters	Andrew HY WONG
	Permanent Secretary for Commerce and Economic Development
Post Title	(Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)066

Question Serial No.

1596

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 efforts to “continue to promote co-operation between major convention and exhibition facilities to achieve better utilisation, and closely monitor Hong Kong’s long-term demand for additional facilities”, please advise:

- (a) What is the Bureau’s estimated expenditure in this regard for 2012-13?
- (b) How many principal officers will oversee these efforts and what will be their ranks?
- (c) What items does the actual work plan cover?
- (d) What will be the expected progress and timetable for 2012-13?

Asked by : Hon. LI Wah-ming, Fred

Reply :

To improve the utilisation of our existing convention and exhibition facilities, we have been encouraging the Hong Kong Trade Development Council (TDC) and other private exhibition organisers to organise exhibitions at AsiaWorld-Expo (AWE) and to adopt the “one show, two venues” or “two shows, two venues” approach to stage their events. We have also worked with transport operators to strengthen the public transportation arrangements for AWE.

Since the commencement of AWE in 2006, TDC has co-organised a total of 30 fairs at AWE in collaboration with other private exhibition organisers, attracting over 6 800 exhibitors and over 230 000 trade visitors to AWE. Topics of these fairs include auto pairs, printing and packaging, furniture, building and decoration materials, environmental protection and sport-related goods. With the joint efforts of the Government and various parties, AWE has started to gain recognition from the industry and public in recent years. In fact, the number of exhibitions and conferences held at AWE achieved a 13% growth in 2010-11.

The above forms part of the work covered under Programme (2). We do not have separate estimates for the number of staff involved, their ranks and salaries.

Signature	_____
Name in block letters	<u>Andrew HY WONG</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)</u>
Date	<u>29.2.2012</u>

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

Reply Serial No.

CEDB(CIT)067

Question Serial No.

1597

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 efforts to “fortify Hong Kong’s position as Asia’s global financial centre, highlighting its role as an offshore Renminbi centre and asset management hub”, please advise:

- (a) What is the estimated expenditure in this regard?
- (b) What items does the actual work plan cover?
- (c) What will be the expected progress and timetable for 2012-13?
- (d) Will the work of the Hong Kong Trade Development Council and relevant government departments overlap, thus resulting in a waste of resources?

Asked by : Hon. LI Wah-ming, Fred

Reply :

The Hong Kong Trade Development Council (TDC) has budgeted \$38 million to promote Hong Kong’s financial services. The work plan in 2012-13 includes the organisation of promotional activities such as Asian Financial Forum, overseas financial services missions to Hong Kong, Hong Kong high-level delegation to emerging markets, seminars on Hong Kong’s offshore Renminbi business, seminars on listing and fund-raising in Hong Kong, seminars on Mainland-Hong Kong co-operation on financial services, and training sessions on outbound investment for Mainland enterprises.

TDC and relevant government departments, including Hong Kong Monetary Authority and Invest Hong Kong will liaise closely and organise joint promotional activities as appropriate to avoid overlapping of work and ensure effective use of resources.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)068

Question Serial No.

1598

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 :

Regarding the item on “examining consumer issues such as the use of unfair terms in standard consumer contracts”, please advise on the following:

- a) What are the approximate expenditures involved?
- b) What issues will be included in the concrete work plan for examination?
- c) What is the progress or timetable for 2012-13?
- d) How will the examination findings be used?

Asked by : Hon. LI Wah-ming, Fred

Reply :

Researches undertaken by the Consumer Council (the CC) on consumer issues, such as the use of unfair terms in standard consumer contracts, are mostly handled in-house. Related expenditure has been subsumed into the recurrent establishment and provision, and it is difficult to quantify them separately.

The following issues are covered in the CC's work plan on examining consumer issues in 2012-13:-

- (1) providing views in a timely manner on policies and legislation related to consumer rights that may be proposed by the Government and on issues involving consumer rights put forth by public bodies and organizations; and conducting researches and providing views on consumer issues arising from significant social or economic incidents; and
- (2) drawing up a report on unfair terms in standard consumer contracts, and drafting guidelines on standard consumer contracts and a specimen contract, as well as examining the time and format for releasing the above documents.

Upon the completion of researches, the CC will pass the results to relevant Government departments, public bodies and organizations. It will also make public its views on consumer policies and issues through the media from time to time. In addition, the CC will also upload its responses to public consultations of the Government on its website for public access.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)069

Question Serial No.

1599

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 :

On the work to “enhance public understanding of the benefits that may be brought about by a competition law”, please provide the following information:

- a) What are the estimated expenditure?
- b) What items are included in the work plan?
- c) What will be the progress or timetable in 2012-13?
- d) How to evaluate whether the planned targets are met or not?

Asked by : Hon. LI Wah-ming, Fred

Reply :

The Consumer Council (CC) strongly supports the early enactment of a competition law. To promote public understanding of the benefits that such a law may bring about and encourage discussion, the CC has organized two fora (mainly for small and medium enterprises), and produced bilingual information pamphlets and set up a dedicated website.

In the coming year, the CC plans to undertake the following initiatives:

1. producing radio segments and using web advertising banners to enhance promotion, with an estimated expenditure of about \$200,000;
2. offering commentaries and responses in the light of market situations, such that the public can understand from real life cases the benefits of implementing a competition law; and

3. paying visits to District Councils to help cultivate within the community a correct understanding of a competition law and its benefits, and make use of these opportunities to assess the effectiveness of the education and promotion work referred to above.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)070

Question Serial No.

1600

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 :

Regarding the task to “implement the recommendations arising from a review of the operation of the Consumer Legal Action Fund”, please advise of:

- a) the approximate expenditure in this area;
- b) the items to be included in the concrete action plan;
- c) the progress or timetable in 2012-13.

Asked by : Hon. LI Wah-ming, Fred

Reply :

The recommendations of the strategic review of the Consumer Legal Action Fund (CLAF) mainly involve policy and strategic matters, such as how to adopt a holistic perspective and take into account all relevant factors when considering applications for assistance, and how multiple applications involving similar subject matters can be dealt with more efficiently.

The review also touches upon certain operational matters, for example, the procedures for handling applications which are manifestly unsubstantiated, malicious or apparently beyond the ambit of the CLAF and the internal work procedures of the Consumer Council (CC) (which is the trustee of the CLAF). The review also examines the way in which assisted consumers should be encouraged to attempt mediation before litigation.

The CC is implementing the recommendations. No additional resources are required.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

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

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)071

Question Serial No.

1601

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 “tak[ing] forward the substantive reform proposals on the existing operation and regulatory framework of the tourism sector to promote the healthy and sustainable development of the tourism industry”, please inform this Committee:

- (a) the estimated expenditure involved;
- (b) the specific work plans, including the projects involved;
- (c) the scheduled progress or timetable for 2012-13.

Asked by : Hon. LI Wah-ming, Fred

Reply :

The Government announced the findings of the public consultation on the review of the operation and regulatory framework of Hong Kong’s tourism sector and the way forward on 20 December last year. We proposed that an independent statutory body be established as the regulatory body of the tourism sector. We briefed the Panel on Economic Development of the Legislative Council on the way forward on 27 February 2012. In 2012-13, we will carry out policy research and legislative drafting work related to the implementation of the way forward with existing resources. No additional expenses will be incurred. Subject to the progress of work, we expect that the draft new legislation can be introduced into the Legislative Council in about two and a half years.

Signature _____

Name in block letters Andrew HY WONG

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

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)072

Question Serial No.

1604

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 “refin[ing] multi-destination strategies with focus on multi-destination itinerary and product development with Pan-Pearl River Delta cities”, please inform this Committee:

- (a) the estimated expenditure involved;
- (b) the specific work plans, including the projects involved;
- (c) the scheduled progress or timetable for 2012-13;
- (d) the Pan-Pearl River Delta cities with which Hong Kong plans to collaborate.

Asked by : Hon. LI Wah-ming, Fred

Reply :

- (a) The proposed budget of the Hong Kong Tourism Board (HKTB) for developing and promoting “multi-destination itineraries” in 2012-13 is \$7.2 million.
- (b)-(d) To promote “multi-destination itineraries” in 2012-13, the HKTB will focus its resources on co-operating with cities in the Pan-Pearl River Delta area, including Kaiping, Shaoguan, Shenzhen, etc. in Guangdong Province, and Macao. The tentative programme, timetable and partner Provinces/cities are as follows –

Date	Promotion	Partner Provinces/Cities
April-June 2012	• Launch strategic advertising campaigns in Australia to promote Guangdong-Hong Kong-Macao, as well as Shenzhen-Hong Kong “multi-destination itineraries”	Guangdong, Shenzhen and Macao

Date	Promotion	Partner Provinces/Cities
	<ul style="list-style-type: none"> • Launch outdoor advertisements in collaboration with the local media in Canada to promote Guangdong-Hong Kong “multi-destination itineraries”, so as to deepen the understanding of such itineraries among the mainstream visitors and the ethnic Chinese segment 	Guangdong
	<ul style="list-style-type: none"> • Promote Guangdong-Hong Kong-Macao “multi-destination itineraries” upon the airing of the travel programme featuring Richard Bangs as well as online in partnership with the travel trade in the US 	Guangdong and Macao
	<ul style="list-style-type: none"> • Organise road shows in four cities of the US and Canada to promote Shenzhen-Hong Kong “multi-destination itineraries” to their travel trade and media 	Shenzhen
July-September 2012	<ul style="list-style-type: none"> • Organise “multi-destination itineraries” familiarisation tours for major German media featuring Hong Kong and Yunnan 	Yunnan
	<ul style="list-style-type: none"> • Launch strategic advertising campaigns in Australia to promote Guangdong-Hong Kong-Macao, as well as Shenzhen-Hong Kong “multi-destination itineraries” 	Guangdong, Shenzhen and Macao
October-December 2012	<ul style="list-style-type: none"> • Co-operate with the media and travel trade of Korea to promote Shenzhen-Hong Kong “multi-destination itineraries” 	Shenzhen
	<ul style="list-style-type: none"> • Launch strategic advertising campaigns in the US to promote Guangdong-Hong Kong-Macao “multi-destination itineraries” to the ethnic Chinese segment 	Guangdong and Macao
	<ul style="list-style-type: none"> • Participate in the “World Travel Mart” in the UK to promote “multi-destination itineraries” showcasing the tourism offerings of Yunnan and Hong Kong 	Yunnan
January-March 2013	<ul style="list-style-type: none"> • Participate in the “SATTE Trade Exhibition” in India to promote “multi-destination itineraries” showcasing the tourism offerings of Hong Kong and Macao 	Macao
	<ul style="list-style-type: none"> • Participate in the “International Tourism Bourse” in Germany to promote “multi-destination itineraries” showcasing the tourism offerings of Guangdong, Hong Kong and Macao 	Guangdong and Macao
Year-round promotions	<ul style="list-style-type: none"> • Guangdong, Hong Kong and Macao jointly set up exhibition booth at major travel trade shows to promote the tourism offerings of the three cities 	Guangdong and Macao

Date	Promotion	Partner Provinces/Cities
Other planned promotions (date to be confirmed)	<ul style="list-style-type: none"> • Explore possibilities to promote “multi-destination itineraries” featuring Hong Kong, Hainan and Macao at TV commercials and outdoor advertising in Russia as well as co-operate with airlines and the Russian travel trade to promote the same 	Hainan and Macao
	<ul style="list-style-type: none"> • Arrange “multi-destination itineraries” familiarisation tours for the travel trade of overseas markets featuring Guangdong, Hong Kong, Macao and Shenzhen 	Guangdong, Shenzhen and Macao
	<ul style="list-style-type: none"> • Assist the Indian travel trade to develop Hong Kong-Macao “multi-destination itineraries” group tours and travel packages 	Macao

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)073

Question Serial No.

1848

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 entry policy for Mainland pregnant women, whose spouses are not Hong Kong people, coming to Hong Kong under the Individual Visit Scheme, would the Administration consider allocating resources and manpower for a dedicated study on the situation and the relevant policy? If yes, please provide details of the allocation. If not, please state the reasons.

Asked by : Hon. NG Margaret

Reply :

The aim of the Individual Visit Scheme (IVS) is to facilitate all eligible Mainland residents to visit Hong Kong on an individual basis, without having to join group tours. Under the IVS no restrictive measure will be put in place on any particular group of visitors. Imposing restrictions on visiting Hong Kong by Mainland pregnant women whose spouses are not Hong Kong residents is beyond the scope of tourism policy. The Commerce and Economic Development Bureau has no plan to allocate resources and manpower for a dedicated study on the situation and the relevant policy.

On the other hand, to deter non-local pregnant women without obstetric bookings from seeking emergency deliveries through the accident and emergency departments shortly before labour, a number of measures are being actively implemented. On immigration controls, the Immigration Department (ImmD) will strengthen surveillance of non-local pregnant women; the Department of Health is also taking measures to enhance assistance to the ImmD staff by providing additional healthcare manpower at the boundary control points. In addition, relevant government departments will closely monitor the situation and enhance enforcement against non-compliant vehicles and drivers carrying non-local pregnant women to Hong Kong, and intermediaries involving in illicit activities.

Signature _____

Name in block letters _____ **Andrew HY WONG**

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

Date _____ 29.2.2012

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

Reply Serial No.

CEDB(CIT)074

Question Serial No.

0729

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 work with the Trade and Industry Department to launch a five-year dedicated fund to support Hong Kong enterprises in developing their brands, upgrading and restructuring their operations and promoting sales in the Mainland domestic market in mid 2012.

- (a) Which different programmes will the dedicated fund cover? What are the names, targets, concrete features, and the expenditure and manpower involved of each programme?
- (b) How many Hong Kong enterprises are expected to benefit from each of these programmes? What is the implementation timetable for the entire dedicated fund?
- (c) What assessment and monitoring mechanism will be put in place for the entire dedicated fund?
- (d) Will regular or mid-term review be conducted? If yes, what are the details? If no, what are the reasons?

Asked by : Hon. TAM Wai-ho, Samson

Reply :

To support Hong Kong enterprises, in particular the small and medium enterprises, to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011-12 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland.

The fund would comprise two parts:

- (i) to provide funding support to individual Hong Kong companies to assist them in undertaking projects to develop brands, upgrade and restructure their business operations and promote sales in the Mainland market, so as to enhance their competitiveness and facilitate their business development in the Mainland market; and
- (ii) to provide funding support to non-profit-distributing organisations for them to undertake large-scale projects which aim to assist Hong Kong enterprises in general or in specific sectors to develop brands, upgrade and restructure business operations and promote sales in the Mainland market, so as to enhance their competitiveness in the Mainland market.

We have consulted the trade earlier and are finalising the operation details of the fund, including the assessment and monitoring mechanisms, and the manpower and associated costs required for implementation of the fund. We plan to seek funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid-2012. After the launch of the dedicated fund, we would closely monitor the use of the fund and review its effectiveness to ensure that resources would be used effectively to achieve the objectives of the fund. As the number of applications and companies to be benefitted would depend on a number of factors, such as the overall economic environment and the operational details of the fund, etc, we are unable to provide relevant estimates at this stage.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)075

Question Serial No.

0730

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 way forward for positioning the patent system in Hong Kong, what is the outcome of the consultation completed in late 2011? What is the estimated time for announcing the outcome and recommendations? At the present stage, does the Administration have any preferential stance? If yes, what are the details?

Asked by : Hon. TAM Wai-ho, Samson

Reply :

To ensure that the patent system in Hong Kong continues to meet present-day circumstances and that its further evolution would complement our efforts to develop Hong Kong into a regional innovation and technology hub, we issued a public consultation paper in October 2011 to embark on a comprehensive review.

By the end of the consultation period in December 2011, we received over 70 written submissions, mainly from stakeholders in the patent-related fields including various industrial associations and professional organizations, research and development centres, academia, the legal profession, as well as the business and industrial sectors.

We maintain an open mind in taking forward the review. We are now examining the views received and will carefully scrutinize the relative merits of the comments/responses put in by different parties with a view to formulating proposals that will best serve the overall interest of Hong Kong. We intend to announce the proposed way forward in the first half of 2012.

Signature _____

Name in block letters _____ **Andrew HY WONG** _____

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

Date _____ **29.2.2012** _____

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

Reply Serial No.

CEDB(CIT)076

Question Serial No.

1804

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

Subhead (No. & title) : 000 Operational
Expenses

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 :

Many small and medium enterprises (SMEs) are worried that the "Competition Law", when implemented, might affect them. As the Bill is expected to be enacted within the current legislative year, would the Administration allocate resources to address the worries and doubts of SMEs about its enactment? Please provide details and estimated expenditures of the relevant measures.

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

The Legislative Council is examining the Competition Bill (the Bill). In October 2011, the Administration put forward six proposed amendments to address the major concerns raised by stakeholders, in particular small and medium-sized enterprises (SMEs), concerning the Bill. Following the enactment of the Bill, the statutory Competition Commission (Commission) will be tasked to promote the public understanding of the Bill and the value of market competition through public education. The Bill also makes it a statutory requirement for the Commission to consult before drawing up regulatory guidelines on interpretation and implementation of the law, so as to facilitate compliance by the business sector (including SMEs). In 2012-13, a provision of \$80.7 million has been earmarked under Head 152 – Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) to meet the expenses for the establishment and operation of the Commission should the Bill be enacted within 2012-13.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

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

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)077

Question Serial No.

1522

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 explore convention business in six priority industry sectors (medical, medical science, social science, computer science, engineering and sports-leisure-culture) in 2012-13? What is the estimated funding? What is the estimated revenue for Hong Kong?

Will it be more justifiable and appropriate for the Hong Kong Trade Development Council to undertake the task of promoting and developing specific sectors?

What are the policies to avoid the misuse of public funds due to the overlapping of work between the Hong Kong Tourism Board and the Hong Kong Trade Development Council?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2012-13, the Meetings and Exhibitions Hong Kong (MEHK) under the Hong Kong Tourism Board (HKTB) will continue to explore and encourage large-scale conventions of six targeted industries (medical, medical science, social science, computer science, engineering and sports-leisure-culture) to be held in Hong Kong. Major initiatives include:

- Continue targeting on large-scale conventions with over 5 000 participants.
- Strengthen collaboration with enterprises serving international organisations and organisers of large-scale international conventions.
- Collaborate with local chapters of related professional associations to persuade their respective associations to stage their international conferences in Hong Kong, and provide support to these local chapters in the bidding process.
- Co-operate with organisers of large-scale conventions to publicise events to be held in Hong Kong during the year through channels such as the Internet, industry promotions and public relations activities, so as to strengthen Hong Kong's image as the preferred MICE (Meetings, Incentive travels, Conventions and Exhibitions) destination.

- Work with the local travel trade to provide participants of related large-scale conventions with value-added offers on airfares, sightseeing, shopping and dining to give participants an extra incentive to visit Hong Kong.

In 2012-13, the MEHK plans to spend \$49.4 million on MICE promotion. Since the MEHK will deploy resources flexibly in response to changing needs, and the majority of the publicity activities can simultaneously promote MICE tourism, there is no breakdown of expenditure figures on individual items.

We believe that staging large-scale or international MICE events in Hong Kong would help promote Hong Kong as a premier MICE destination, generate business opportunities for the MICE trade, and bring long-term benefits to the economy of Hong Kong. In 2011, there were 1.56 million overnight MICE visitors to Hong Kong, up by 9.3% over 2010. MICE visitors are usually high-spending visitors. According to provisional figures, the per-capita spending of overnight MICE visitors in 2011 was \$9,328, up by 10.0% over 2010 (\$8,475) and 27.2% higher than the overall figure of \$7,333 in 2011. Various industries like tourism, hotel, aviation, retail, food and beverage, entertainment, etc. have been benefitted. We expect that MICE arrivals will increase by 11% to 1.73 million in 2012.

Since its establishment in 2008, the MEHK has been strengthening MICE promotion in overseas source markets, providing one-stop support for event organisers, and enriching travel experience of MICE visitors by cross-selling tourism products. The Hong Kong Trade Development Council (TDC) is responsible for promoting trade of Hong Kong, including goods and services. TDC will roll out different promotional campaigns in accordance with the Government's policies on the aforesaid six priority industry sectors. Hence, the MEHK and TDC have different roles, but their work is complementary.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)078

Question Serial No.

1528

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 Tourism Commission made any provision for manpower and resources in the new financial year for stationing officials at the airport for both before and after the holidays, which is the peak tourist season, to help resolve disputes involving tourists who cannot board their scheduled planes due to overbooking by airlines?

If yes, what are the specific arrangements? What are the manpower and resources involved? If not, would the Administration consider the above proposal to help the tourists?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In general, the relationship between airlines and passengers involves contractual issues between the two parties and the commercial operation of airlines. Passengers having consumer disputes with airlines may lodge a complaint with the Consumer Council (CC). The CC will follow its established procedures to assist in mediating the disputes between passengers and airlines. The Tourism Commission has no plan to implement the proposal as mentioned in the question.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

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

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)079

Question Serial No.

2049

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 :

- (a) Many small and medium travel agents have told me that the Hong Kong Tourism Board (HKTB) has never informed them of its promotional activities nor has it sought to co-operate with them to attract more foreign tourists to Hong Kong.

In the new financial year (2012-13), will the HKTB consider working with travel agents in launching its promotional activities so as to enhance the effectiveness of its publicity and promotional campaigns?

- (b) Has the HKTB earmarked any provision for the 2012-13 financial year for fostering collaboration with travel agents and other related organisations to promote and publicise Hong Kong's tourism attractions? If yes, what are the details and the estimated expenditure? If not, will the HKTB consider doing so as soon as possible?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

- (a) - (b) Each year, the Hong Kong Tourism Board (HKTB) organises the Tourism Overview during which the HKTB will introduce its work plan for the coming year to the travel trade (including travel agents). About 500 trade practitioners attended the 2011 Tourism Overview. The 2012 Tourism Overview has been held on 29 February. After the event, the HKTB will upload relevant information onto its PartnerNet website, and invite through e-mail all local travel trade partners to submit proposals for joint promotion based on the HKTB's promotional activities in 2012-13. During the year, the HKTB will send e-mails again to all local trade partners, including travel agents, encouraging them to submit co-operative proposals on individual mega events and promotions.

In 2012-13, the HKTB has earmarked \$36.4 million for strengthening trade support and partnership. The amount includes the joint promotion between the HKTB and the travel trade in visitor source markets and Hong Kong. Details of the partnerships and the expenditure to be incurred, as well as the number of participating travel agencies, can only be finalised upon submission of proposals by the travel trade.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)080

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 :

How will the Commerce and Economic Development Bureau work with the Hong Kong Tourism Board, the tourism sector and relevant government departments to “diversify” the green tourism products on offer in Hong Kong in the new financial year (2012-13)? What joint projects are included in this regard? What is the estimated expenditure for such joint projects?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Tourism Commission (TC) is partnering with the Agriculture, Fisheries and Conservation Department and the Hong Kong Tourism Board (HKTB) in promoting nature-based green tourism products via HKTB’s marketing platform “Great Outdoors Hong Kong!”. These green tourism products include:

- the Sai Kung Volcanic Rock Region and the Northeast New Territories Sedimentary Rock Region of the Hong Kong Global Geopark of China (the Geopark);
- hiking trails such as the MacLehose Trail, outlying islands (Lamma Island, Cheung Chau, Peng Chau), walking trails (the Peak Circle Walk, the Dragon’s Back); and
- the Hong Kong Wetland Park and the Mai Po Wetland.

In 2012-13, the HKTB will implement the following initiatives to promote green tourism products (including the Geopark):

Promotions targeting visitors

- To promote green tourism products, including those featuring the Geopark, which are operated by local travel agents to inbound visitors through various channels such as HKTB’s website, visitor centres and guide books.

- To organise complimentary guided tours in November under the “Great Outdoors Hong Kong!” programme by taking visitors to see the landforms at the Geopark.
- To encourage individual visitors to explore the Geopark via the “Great Outdoors Hong Kong!” thematic website and complimentary guidebook.
- To arrange different media organisations from target source markets to visit and feature the Geopark in their TV programmes or publish articles which showcase the Geopark.

Promotions targeting overseas trade

- To introduce the Geopark by display boards at travel fairs and road shows in target source markets; and to distribute recommended itineraries and information on the Geopark to the overseas trade for reference for developing new tourism products and promote them to nature lovers.
- To invite overseas trade partners specialising in green tourism to visit the Geopark and encourage them to include the Geopark itineraries in their products.

Meanwhile, the TC is exploring with the HKTB, the travel trade and relevant departments on how to facilitate tourists to visit the Geopark, including launching a pilot scheme to allow coaches to transport inbound visitors to and from the East Dam of the High Island Reservoir on a limited scale, with a view to promoting nature-based tourists’ activities.

The TC and HKTB will carry out the above promotion work with existing resources. No additional expenses and manpower will be incurred.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)081

Question Serial No.

2051

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 :

Paragraph 27 under "Brief Description" on Page 303 of the 2012-13 Estimates of Expenditure reads "The effectiveness of the performance of the (Hong Kong Tourism Board) HKTB cannot be assessed entirely in quantifiable terms". Does the Government have any means to evaluate the effectiveness of HKTB's annual expenditure of over HK\$500 million on promotional activities? What are the justifications for such an enormous amount of expenditure on tourism promotion for Hong Kong?

Has the Government considered redeploying the resources for items which incur significant annual expenditure but with questionable effectiveness for the construction of new attractions or improvement of facilities in existing attractions so as to enhance Hong Kong's attractiveness to tourists and create more job opportunities for local people? If yes, what are the details? If not, will the Government consider doing so as soon as possible?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Hong Kong Tourism Board (HKTB) is a statutory body established in 2001 under the Hong Kong Tourism Board Ordinance (Cap. 302). Its core function is to promote Hong Kong globally as a leading international city in Asia and a world class tourist destination.

In the face of intense competition in global tourism, it is necessary for Hong Kong to strengthen its promotion efforts in major visitor source markets, so as to maintain our exposure and competitiveness. The HKTB utilises the Government's subvention to carry out its core function, with a view to raising the level of interest among consumers in visitor source markets in visiting Hong Kong and enriching visitors' travel experience when they are in Hong Kong. Taking into account the strategic directions set by the HKTB head office in Hong Kong, as well as the interests of different visitor segments in the source markets, the worldwide offices of the HKTB will develop and implement promotions through co-operation with the travel trade and media in the respective market, thereby attracting more visitors to Hong Kong.

The HKTB's promotional work, including launching promotions in selected source markets, staging mega events and devising new travel itineraries, aims to reinforce Hong Kong's status as a world-class tourist destination and driving visitor arrivals to Hong Kong and their spending, with a view to increasing the economic contribution of tourism to Hong Kong. While the effectiveness of the HKTB's promotional works is difficult to be quantified, the HKTB has adopted four key tourism industry performance indicators, namely visitor arrivals, visitor spending, visitors' length of stay and visitors' satisfaction, for assessing its overall performance. In addition, the HKTB has also adopted other indicators to measure the effectiveness of its marketing strategies and promotional work, and to ensure the effective use of resources. These indicators include the number of tourism promotions launched in various visitor source markets, the level of participation of the trade in the promotions, as well as the publicity value generated by the events.

Regarding the construction of new attractions and improvement of facilities in existing attractions, the Tourism Commission is committed to the development of theme parks and the new cruise terminal, including:

- The redevelopment of Ocean Park will be completed within this year. The Ocean Park is working on a plan to develop Tai Shue Wan as a new integrated theme zone, which includes constructing an indoor/outdoor waterpark. The Ocean Park is also preparing for the re-tender exercise of the hotel development project.
- The current expansion of the Hong Kong Disneyland is proceeding as planned. The first new themed area was open in November 2011 and the other two new themed areas will be open this and next year respectively. The Hong Kong Disneyland is also exploring the feasibility of further expansion within the existing area of the park after completing the current expansion plan. The Government will work closely with The Walt Disney Company to continue to enhance the appeal of the Hong Kong Disneyland to visitors.
- The new cruise terminal project at Kai Tak is in full swing. The overall progress of the construction works is satisfactory, and we expect that the terminal building and the first berth will come into operation in mid-2013 as scheduled.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)082

Question Serial No.

2110

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 Lantau Working Group (the former body of Lantau Economic Development Alliance (LEDA)), comprising representatives from many tourists sports, theme parks, Island District Council, hotels and various trades, has submitted a comprehensive planning proposal for tourism development in Lantau Island to the Administration on many occasions. The Legislative Council Panel on Economic Development has also conducted a site visit to examine how the long stretches of roads which are closed to the public on Lantau Island hindered its tourism development and called for improvement proposals from the departments concerned. Yet, to date, the Administration has not put forward any concrete improvement proposal or a comprehensive plan for tourism development at Lantau Island.

Has the Administration made any provision for a study on or a plan to implement the LEDA's proposal for comprehensive planning of tourism development in Lantau Island in the new financial year? If yes, what is the plan and estimated expenditure? If not, what are the reasons?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

Tourism development of Lantau is always high on the agenda of the Government. On the issue of closed roads, it should be pointed out that South Lantau is a conservation area. The Transport Department (TD) has implemented traffic management measures in South Lantau to protect this area from being damaged and ensure its long-term sustainable development. These measures include introducing closed roads and restricting the number of vehicles with access to South Lantau. Upon the completion of improvement works on Tung Chung Road in February 2009, TD has suitably relaxed the restrictions on vehicle access to South Lantau via Tung Chung Road. To cater for major tourism events, TD has exercised flexibility in allowing more coaches to gain access to South Lantau on the event date. The above measures aim to strike a balance between promoting South Lantau's tourism development and protecting its natural environment.

TD will review, from time to time, the prevailing condition of the traffic and public transport facilities on Lantau and make appropriate adjustments in the light of the different development needs of Lantau.

Lantau has always been one of Hong Kong's tourist hotspots. The Government has developed a number of infrastructure projects and attractions on Lantau, including the Hong Kong Disneyland, AsiaWorld-Expo, Terminal 2 of the Hong Kong International Airport, Ngong Ping Cable Car, Ngong Ping Piazza and Wisdom Path, etc. A number of new tourism facilities will come into operation on Lantau in the next few years. The expansion of the Hong Kong Disneyland is proceeding smoothly. Three new themed areas are expected to be completed by 2013, with the first one (Toy Story Land) opened in November last year. A heritage boutique hotel converted from the Old Tai O Police Station has just opened. The Civil Engineering and Development Department is carrying out improvement works in Tai O in phases, and is embarking on the detailed design for a project to beautify Mui Wo. A new hotel with convention facilities in Discovery Bay is expected to commence operation in mid-2012.

The Government, the Hong Kong Tourism Board (HKTB) and major attractions on Lantau are committed to enhancing the tourism appeal of the island through cooperation. Our strategy is to develop itineraries featuring different attractions on Lantau to achieve greater synergy. For instance, itineraries including the Ngong Ping Cable Car and sites of historical and cultural interest such as the Tai O fishing village and the Po Lin Monastery have been developed to attract tourists interested in natural landscape and cultural heritage. The HKTB also actively promotes Mui Wo as the starting point for exploring Lantau. Tourists are advised to go to Mui Wo by ferry and then take a bus to attractions such as the Po Lin Monastery, Giant Buddha, Ngong Ping Piazza and Ngong Ping Village.

To further promote Lantau's tourism appeal, the Tourism Commission, the HKTB, Islands District Council and New World First Ferry Services Limited jointly launched a publicity campaign in August 2011. The campaign includes the publication of a guidebook for outlying islands (featuring tourism highlights of the different outlying islands), the launch of an Island Hopping Pass (to enable tourists to travel to outlying islands on ferry trips at concessionary fares), and arrangements with shops and restaurants on outlying islands to offer dining and shopping discounts to visitors. The second edition of the guidebook will be released this year. On the other hand, there is frequent collaboration among the operators of tourist attractions on Lantau. For example, when the "River of Wisdom – Animated Version of Riverside Scene at Qingming Festival" Exhibition was held in the AsiaWorld-Expo in November 2010, exhibition ticket holders could enjoy a discount for riding the Ngong Ping Cable Car. In April and May last year, the Ngong Ping Cable Car paired up with Hong Kong Disneyland to offer admission discounts to visitors.

In addition to leisure travel, Lantau enjoys competitive advantages in the development of Meetings, Incentive travels, Conventions and Exhibitions (MICE) tourism. The presence of large-scale convention and exhibition venues and numerous hotels can meet the needs of the different event organisers and visitors. To strengthen the promotion of Lantau as a MICE hub, the HKTB has successfully linked up all major attractions and venue providers on the Lantau Island to jointly launch a publicity campaign at end of September last year. The HKTB will organise a similar promotional campaign this year.

In 2012-13, the HKTB will continue to work closely with the local travel trade to showcase the diverse tourism offerings of the island, including its attractions and greenery, to the travel trade, visitors and media worldwide. The costs for promoting Lantau has been subsumed in the marketing budget of the HKTB which is \$349.8 million in 2012-13.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)083

Question Serial No.

2111

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 :

Ngong Ping 360 has been plagued by operation troubles. A two-month service suspension for component replacement followed the incident of 25 January 2012, the third day of the Chinese New Year, when visitors were stranded mid-air in the cold at 3°C for two hours due to a bearing fault. The successive incidents have raised concern among Mainland and foreign visitors about the service and reliability of Ngong Ping 360. What policies and measures did the Commerce, Industry and Tourism Branch adopt during 2011-12 to “co-ordinate with relevant government departments and the tourism sector to facilitate the smooth operation of Ngong Ping 360”? Has the Administration reviewed the inadequacy of the above co-ordination, and how much human resources are taken up by such work?

In view of the inadequacy of the above co-ordination, will the Government deploy additional manpower and resources to strengthen and enhance co-ordination in 2012-13, in particular contingency measures and services to cope with such disruptions, if so, what are the details, if not, would it consider the above enhancement proposal?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Government is very concerned about the recent spate of service suspension of the Ngong Ping 360 ropeway, particularly the latest incident on 25 January 2012 that led to visitors being stranded in car cabins for nearly two hours. The Government has asked the Ngong Ping 360 Limited (NP360) to maintain high safety standards and reliable service as well as to be sensitive to visitors' needs.

After conducting a preliminary investigation into the incident of 25 January, the NP360 announced on 3 February the extension of the suspension of cable car service for two months in order to replace the bearings of all seven sets of bullwheels of the ropeway system and advance the annual examination for this year. During the suspension period, the Electrical and Mechanical Services Department (EMSD) will monitor closely the progress of the repair work and tests of the NP360. Approval for the resumption of cable car service will be contingent on satisfactory test results.

All along, the design, construction, installation, operation and maintenance of the Ngong Ping 360 ropeway are under the supervision of the EMSD in accordance with the Aerial Ropeways (Safety) Ordinance. The Government has been closely liaising with the Mass Transit Railway Corporation Limited and the NP360 to monitor its safe operation, advise on its operation, particularly in providing assistance and support, in respect of its rescue plan and transportation arrangements during contingencies, etc. In accordance with the established reporting mechanism, the NP360 is required to inform, within 30 minutes of occurrence, the EMSD, the Tourism Commission (TC), the Transport Department (TD), the Fire Services Department (FSD) and the Hong Kong Police Force (Police) of suspension of cable car service that is expected to last for 30 minutes or more, so that relevant government departments are kept abreast of the latest developments and can provide the necessary advice and support. The NP360 is also required to notify tour groups that have made bookings to ensure that visitors affected can revise their itineraries as soon as possible.

With regard to the incident of 25 January 2012, the TC considered that the NP360's contingency measures, the communication mechanism with the travel trade and passengers in the event of service disruptions, as well as the notification arrangements of service suspension not satisfactory. The TC has instructed the NP360 to make improvements, including substituting the broadcast of recorded messages with live broadcasts. The Company management has also been asked to disseminate news of incidents expeditiously to the media and visitors; and to ensure that notification to alert visitors heading for the cable car ride of suspension of service would not be delivered through print alone. The TC is working with relevant government departments, including the EMSD, the TD, the FSD and the Police etc, in monitoring and assisting the Company management in completing the review before the resumption of operation.

The TC and the EMSD will carry out the above monitoring, co-ordination and review work with existing resources. No additional expenses will be incurred.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)084

Question Serial No.

2112

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 list in detail the staff establishment of the Tourism Commission. What are the changes in the staff establishment in 2012-13 when compared with the past three financial years (2009-10, 2010-11 and 2011-12).

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The establishment of the Tourism Commission in 2012-13 and the last three financial years is set out as follows -

Establishment	2009-10	2010-11	2011-12	2012-13 (Projected figures)
Directorate ranks	7	7	7	7
Non- directorate ranks				
• the maximum pay point of which is above Master Pay Scale Point 33	23	23	24	24
• the maximum pay point of which is at or below Master Pay Scale Point 33	33	33	34	34
Total	63	63	65	65

Signature _____

Name in block letters **Andrew HY WONG**

Permanent Secretary for Commerce and
Economic Development

Post Title **(Commerce, Industry and Tourism)**

Date **29.2.2012**

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

Reply Serial No.

CEDB(CIT)085

Question Serial No.

2113

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 :

- (a) Under the existing establishment of the Tourism Commission, are there any officers on duty or working during non-business hours?
- (b) Do the Commissioner for Tourism and the Deputy Commissioner for Tourism have to work shift during holidays (special festive periods peak visitor arrivals)? What are the manpower and additional expenditures involved in the relevant shift duty or overtime work in the past three years and the new financial year (2009-10, 2011-12 and 2012-13)?
- (c) During the Ngong Ping 360's mechanical failure incident leading to service delay on the third day of the Lunar New Year (25 January 2012), did officers from the Tourism Commission show up at the scene to help deal with contingency arrangements? If yes, what are the details? If not, what are the reasons?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

- (a) All staff of the Tourism Commission (TC) will work during non-business hours as and when necessary.
- (b) During special festive periods with peak visitor arrivals, e.g. the Golden Weeks, the TC will co-ordinate preparatory measures among relevant government departments and organisations, and activate the emergency notification mechanism in order to handle any emergency incidents concerning tourists effectively. The Commissioner for Tourism and the Deputy Commissioner for Tourism will monitor the situation daily through TC's internal notification mechanism. The TC has carried out the aforementioned work with existing manpower. No additional operating expenditure has been incurred.

- (c) In accordance with the established reporting mechanism, the Ngong Ping 360 Limited (NP360) is required to notify, within 30 minutes of occurrence, the Electrical and Mechanical Services Department (EMSD), the TC, the Transport Department, the Fire Services Department (FSD) and the Hong Kong Police Force (Police) of suspension of cable car service that is expected to last for 30 minutes or more, so that relevant government departments are kept abreast of the latest developments and can provide the necessary advice and support. For the incident occurred in the afternoon of 25 January 2012, after the NP360 had activated its notification mechanism, the Commissioner for Tourism and relevant officers in the TC had kept in touch with the management of NP360 to monitor the situation and provide advice. EMSD, FSD and the Police had also sent their staff immediately to the site to provide the necessary advice and support.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)086

Question Serial No.

2114

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 :

During festival holidays in the past, quite a number of visitors called my office for official help after encountering accidents/unpleasant incidents at tourist spots/theme parks. However, they (especially those who had tried but could not contact the Travel Industry Council of Hong Kong (TIC)) were unable to get into touch with any officers of the Tourism Commission (TC).

In view of the above complaints from visitors and inadequate government service, has the TC, as the monitoring agency of the TIC, earmarked manpower resources for improvement? If yes, what are the details of the plan? If not, will the Administration proceed to explore the implementation of shift arrangements on holiday?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In general, inbound travellers who encounter emergency situations and wish to seek urgent assistance may contact the Hong Kong Police Force (Police) or related frontline agencies. Depending on the nature of the cases, the Police or related frontline agencies will provide necessary assistance or refer the cases to other departments or relevant organisations for follow up. During special festive periods with peak visitor arrivals, e.g. the Golden Weeks, the Tourism Commission (TC) and relevant tourism organisations will carry out publicity work to remind travellers of the points to note when they visit Hong Kong. Enquiry hotlines of the relevant tourism organisations will also be provided on publicity materials for travellers to contact them when necessary.

Furthermore, there is a 24-hour notification mechanism among the TC, related government departments and relevant organisations in dealing with emergency situations involving inbound travellers. In case the emergency situations involving inbound travellers cannot be resolved by the frontline agencies for various reasons, regardless of whether they occur during or outside office hours, the frontline agencies will notify the TC and the Travel Industry Council of Hong Kong promptly to facilitate follow up actions. The mechanism has been operating smoothly. The TC, with existing manpower resources, will continue to work closely with relevant government departments and organisations to ensure proper handling of emergency situations involving inbound travellers.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)087

Question Serial No.

2115

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 give a detailed breakdown on the expenditures and anticipated completion dates of each of the projects for providing additional and enhanced tourism facilities at various tourist hot spots such as Aberdeen, Lei Yue Mun, footbridges in Tsim Sha Tsui East and Tsim Sha Tsui in 2012-13. Is there any policy to prevent the above enhancement projects and new facilities from being too artificial and spoiling the original local landscape? Please also advise on the officials and departments responsible for the above projects.

Asked by : Hon. TSE Wai-chun, Paul

Reply :

Details of improvement works carried by the Administration at various tourist attractions in 2012-13 are as follows:

(i) Aberdeen Tourism Project

The project scope includes carrying out the improvement works for the promenade on both sides of the Aberdeen Harbour as well as Ap Lei Chau Main Street and adjacent streets, with the theme of a traditional fishermen's village. Works commenced in end September 2011 for completion in phases commencing from 2012 to 2014. The estimated expenditure in 2012-13 is \$124.8 million.

(ii) Lei Yue Mun Waterfront Enhancement Project

The scope of works includes the construction of a public landing facility, a breakwater, a waterfront promenade and a new viewing terrace, as well as other streetscape improvements along the Lei Yue Mun waterfront. The relevant works department is working on the required statutory procedures for gazettal of the project works under the Foreshore and Seabed (Reclamations) Ordinance, during which we received public views concerning the sewerage problem in Lei Yue Mun. To meet the concerns, the relevant department has already engaged a consultant to explore possible interim and long term measures for improvement of the sewerage handling facilities in the area. The consultant plans to consult the local community in the first quarter of this year. Subject to the completion of the statutory procedures and funding approval by the Finance Committee, the enhancement

project is expected to commence earliest in end 2012 for phased completion from end 2013 onwards. The estimated expenditure in 2012-13 is \$6.36 million.

(iii) 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 Highways Department is keeping a close eye on the works. According to current progress, the works are expected to complete by end 2012. The estimated expenditure in 2012-13 is \$29.376 million.

(iv) Development of a Tourism Node in Tsim Sha Tsui

The Administration originally proposed to develop an open piazza at the harbourfront area adjacent to the Tsim Sha Tsui (TST) Star Ferry Pier, and to construct an adjacent turnaround which could accommodate a number of bus stops and a taxi stand. The works for the turnaround were gazetted in 2009 and 2010. Taking into account the public views received, the Administration has revisited the way forward for the piazza project, and proposes to adopt a new design concept that will integrate the piazza with the revitalisation of the TST Star Ferry Pier, so that the vicinity can be developed into a tourism node. Under the new design concept, we propose to expand the turnaround being planned into a new public transport interchange. The works for the expansion of the turnaround were gazetted in September 2011. We are following up with the views collected during the period of gazettal according to the statutory procedures, and are working on the design for the tourism node. When a more concrete design proposal is available, we will consult the relevant organizations and stakeholders. The project is still at the planning stage, and hence no expenditure will be incurred in 2012-13.

In planning for the development of new attractions and improvement of existing attractions, we typically draw up detailed plans and proposals. In particular, we will take into account the special features and unique characteristics of individual attractions, such as the natural landscape, local culture, the presence of any landmarks and buildings with preservation value, and the related historic background of the site, etc., with a view to preserving and making the best use of these natural and existing features in the conceptual design, and avoiding artificial elements as far as possible.

The Tourism Commission is responsible for co-ordinating the implementation of the above improvement projects for tourist attractions, whereas relevant works departments including the Civil Engineering and Development Department, Architectural Services Department, and Highways Department etc. are responsible for the project works.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

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

Subhead (No. & title) :

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 many resources will the Government invest in training talents for the tourism industry in 2012-13? Please list out in detail the relevant training items, number of talents to be trained under each item, training providers and the expenditures incurred by each item. Is there any policy to ensure sufficient employment opportunities for trainees after completion of their training in order to make proper use of resources? Please advise on the manpower and expenditures involved in the above policy and the monitoring of tourism training.

Asked by : Hon. TSE Wai-chun, Paul

Reply :

At present, a number of local educational and training institutions such as the Hong Kong Polytechnic University, the Chinese University of Hong Kong and the Vocational Training Council (VTC) offer publicly-funded tourism training courses, or subsidise eligible employers in the tourism industry in providing on-the-job training.

The approved intakes of the University Grants Committee (UGC)-funded programmes on tourism and hotel management in the past 3 years and the coming 3 years are as follows –

Level of study	2009-2010 school year	2010-2011 school year	2011-2012 school year	2012-2013 school year	2013-2014 school year	2014-2015 school year
Sub-degree	155	155	155	150	100	50
Undergraduate (including first-year and senior year intakes)	217	217	217	391*	227	269

* The intake for university places increased substantially in order to meet the concurrent demand for the two batches of secondary school graduates under two different curricula.

Recurrent subventions through UGC are provided mainly in the form of block grants. Institutions enjoy autonomy in the allocation of funds and are free to determine the amount of resources to be used for different levels of studies and disciplines. As such, the amount of resources involved in the programmes on tourism and hotel management is not available.

In the 2012-13 school year, there are 2 161 planned places of the VTC's tourism-related courses with Government subvention estimated to be about \$149 million.

In 2012-13, the Labour Department will continue to operate the Youth Pre-employment and Training Programme and Youth Work Experience and Training Scheme and the Employment Programme for the Middle-aged which include tourism-related training courses. As enrolment of these two employment programmes is demand-led and depends on a variety of factors including the prevailing economic and labour market conditions, we are unable to precisely estimate the expenditure to be incurred for the tourism industry, nor do we have separate breakdown of manpower resources required for implementing the programmes in the tourism industry.

In addition to the Government-funded initiatives set out above, the Employees Retraining Board (ERB) provides training courses for the tourism industry. In 2012-13, the ERB plans to allocate 1 450 training places to tourism-related courses, comprising full-time placement-tied courses and part-time courses under the "Skills Upgrading Scheme Plus". The appointed training bodies of the ERB are required to provide placement follow-up service to the trainees who have completed the full-time courses. The ERB stipulates benchmark placement rates for its full-time courses. The placement rates for the tourism-related full-time courses have been above the required benchmark.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)089

Question Serial No.

2117

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 :

Over the past years, members of the public and the tourism industry have on a number of occasions questioned whether it will be more suitable if the tourism promotional programmes of the Hong Kong Tourism Board (HKTB), such as the Wine and Dine Festival and Dragon Boat Carnival, are to be organised by the Trade Development Council and Home Affairs Department instead. They opine that the HKTB should only be responsible for publicity activities so as to save on its huge expenditures and streamline its staffing establishment.

Will the Government consider the above views seriously by reviewing the work nature of the HKTB and examining whether there is a need for the HKTB to further reduce its expenditures and manpower? If it will, what is the plan? If not, will it examine the matter as soon as possible?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The primary task of the Hong Kong Tourism Board (HKTB) is to promote Hong Kong as a world-class travel destination, increase global travellers' interest in visiting Hong Kong, and enrich their experience during their stay in the city. Based on the marketing strategies devised by the Head Office, the Worldwide Offices of the HKTB work closely with the travel trade and the media in their respective markets to devise promotion catering for the interests of different visitor segments in the target source markets, so as to attract more visitors to Hong Kong.

Organising tourism-related large scale events is only one of the various major initiatives undertaken by the HKTB. These large scale events, which feature a variety of tourism elements, not only help enrich visitors' experience, but also attract international media coverage and draw the global spotlight to Hong Kong, thereby publicising the tourism brand of Hong Kong in the long run. In addition, these large scale events serve as business platforms for the tourism and related sectors to develop or package their offers, products and itineraries during different times of the year.

The Hong Kong Trade Development Council's role is mainly to promote Hong Kong's external trade. The Home Affairs Department under the Home Affairs Bureau is mainly responsible for community building and community involvement activities for fostering community spirit. Their missions and scopes of work are distinct and different from those of the HKTB.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

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 2011-12, the Commerce and Economic Development Bureau, inter alia, “continued to support the further development of wine-related businesses in Hong Kong”. What specifically was the work involved in this policy area? What were the outcomes to be achieved (including the volume of wine transactions and additional jobs created)? What were the manpower and resources involved in this area?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

Details of our efforts in 2011-12 to support the development of wine-related businesses are given below -

- (a) trade and investment promotion: Invest Hong Kong (InvestHK), through its overseas offices, actively encouraged foreign wine companies to set up/expand business in Hong Kong, by advertising the relative advantages of Hong Kong as an ideal platform for tapping the Asian market (in particular the Mainland). We in the Commerce and Economic Development Bureau co-ordinated the promotion strategy of relevant agencies, namely the Hong Kong Trade Development Council (TDC), the Hong Kong Tourism Board (HKTB), and InvestHK. HKTB organised the third Wine and Dine Festival in late October 2011. This was followed by TDC's fourth Hong Kong International Wine and Spirits Fair in early November, the largest one of its kind in Asia.

According to the Census and Statistics Department, in the year 2010-11, over 200 companies with wine as their core business were newly established in Hong Kong. Wine-related businesses in Hong Kong continued to thrive in 2011. Wine imports reached \$9.7 billion, representing an increase of 40% relative to 2010. In 2011, Hong Kong also kept its title as the largest wine auction centre in the world, for two consecutive years. The total auction sales amounted to \$1.78 billion.

We continue to keep an eye on the market. The industry is generally upbeat about the prospects of wine-related business. According to Vinexpo's market survey which was released this month, Asia would account for more than half of the growth in wine consumption worldwide between 2011 and 2015; the consumption of wines in Mainland China (including Hong Kong) will grow by 54.2%. We will continue to keep any changes in the market conditions under close monitoring.

- (b) facilitating the movement of wine imports into the Mainland: in June 2010, we rolled out with the Mainland Customs facilitation measures for wines imported from Hong Kong. The measures include pre-valuation of duty whilst the wines are in Hong Kong and compression of clearance time at Mainland ports. The measures are being tried out in Shenzhen. So far, more than 40 Hong Kong companies have registered for participation in the scheme. We are now discussing with the Mainland on how to make the scheme more user-friendly, including extending the scheme beyond Shenzhen;
- (c) manpower training and education: the Government carried out a survey in 2010 to understand the manpower and training situation. According to the survey, in 2008 and 2009, the number of persons engaged in wine-related businesses (including wine trading, retailing, warehousing, catering and transportation, etc.) has increased by more than 5 000, bringing the total to nearly 40 000 by the end of 2009. The increase is equivalent to about 1 000 full-time jobs. We did not conduct a similar survey in 2011. Nonetheless, according to industry feedback, we believe that the employment figure continues to rise.

The Government has been fostering close liaison between the industry and the training institutions, with a view to allowing the two sides to work together in assessing long-term manpower needs and in mapping out the best way for meeting such needs. Responding to rising demand and driven by market forces, public as well as private training institutions are enriching/expanding their wine appreciation courses and developing enhanced manpower training programmes.

For instance, the Vocational Training Council (VTC) has been expediting the launching of new wine-related courses and modules since 2009 and strengthening its partnership with overseas institutions. This enhances the training that VTC offers to personnel ranging from sommeliers to frontline catering staff. There are 1 900 places in the 2011-12 academic year, and the figure will grow to 2 200 in 2012-13. VTC will also establish an International Cuisine College in 2014. As part of our efforts to sustain the development of wine-related business in Hong Kong, the College is to provide training on food and wine pairing, wine appreciation and other wine-related matters.

We have also encouraged partnership between local and overseas training institutions through the co-operation agreements signed with our trading partners. For example, the School of Professional and Continuing Education of the University of Hong Kong partnered with a French institution to launch the first Master of Business Administration's programme in Hong Kong on wine. The programme seeks to nurture managers with a good understanding of the wine business environment. At present, a total of 50 places are offered under the programme. The first batch of students graduated in 2011;

- (d) wine storage: with the assistance of the Government, the Hong Kong Quality Assurance Agency launched a scheme for accrediting storage facilities in late 2009. At present, 32 facilities have been accredited. The scheme has been expanded to the retail/consumption and transportation sectors in 2011, covering the whole supply chain. According to our survey in 2011, the total floor area for wine storage run by the accredited companies has increased by 60%, relative to the capacity available before wine duty exemption. We are examining ways to further refine the scheme, with a view to attracting more Asian investors to store their investment-grade wines in Hong Kong;

- (e) combating counterfeit wine: the Customs and Excise Department (C&ED) has established a dedicated investigation team since August 2008 to tackle counterfeit wine. In October 2008, the Department formed an alliance with the industry for strengthening co-operation in intelligence collection and enhancing their capacity in monitoring market activities. In May 2011, they set up a specialist team under the alliance, drawing in experts to assist in enforcement against counterfeit wine. C&ED has also established a liaison network with overseas and Mainland enforcement agencies for the purpose of enhancing its capability in intercepting suspected counterfeit wine and verifying wine authenticity; and
- (f) up to 2011, we have signed co-operation agreements with 12 major wine-producing countries/regions, including France (and its Bordeaux and Burgundy regions), the USA (and its Washington and Oregon states), Portugal, Spain, Australia, Chile, Italy, Hungary and New Zealand to strengthen promotional activities in areas including wine-related trade, investment and tourism, etc..

In 2011, the local government in Burgundy organised a large-scale wine promotion event in Hong Kong for the first time. Italy was the partner country for TDC's International Wine and Spirits Fair. For our co-operation agreement with Bordeaux, we signed a supplementary agreement with them in 2011 for the purpose of strengthening our collaborations in the Wine and Dine Festival. Bordeaux would endeavour to bring more wine and food traders to the event.

In 2012-13, the Government will continue to roll forward and keep up the momentum of our work, for the purpose of sustaining the development of wine-related businesses.

We coped with the workload arising from the implementation of the above measures through re-deployment of existing resources. The related expenditure was subsumed under the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately. Other than that, the main expenses went to two key wine-related promotion events. They were the Hong Kong Wine and Dine Festival organised by HKTB and the Hong Kong International Wine and Spirits Fair staged by TDC. The costs were recovered through government subvention, charging of fees or commercial sponsorship.

Signature _____

Name in block letters Andrew HY WONG

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

Date 29.2.2012

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

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 :

Which industries are involved in “wine-related businesses”? Which of these industries are related to tourism? What is the expenditure for each “promotion” project?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The industries involved in wine-related businesses include trading, auctioneering, retail, storage, transportation, catering, wine appreciation, education, brand promotion and exhibition etc. The economic activities concerned are related to the tourism sector in certain aspects.

The Hong Kong Tourism Board (HKTB) spearheads tourism-related promotion activities for wine. In 2012-13, HKTB will carry out a series of promotion activities in Hong Kong and overseas to publicise Hong Kong's diverse dining culture and wine and dine strengths, further branding Hong Kong as the premier destination for visitors to enjoy fine wine and cuisine. The details are as follows.

HKTB will designate November 2012 as a Wine and Dine Month. On top of a 4-day “Hong Kong Wine and Dine Festival” at the West Kowloon Waterfront Promenade, HKTB will collaborate with the catering sector to roll out events under different themes each week during the month. Apart from developing and promoting thematic activities with the travel sector, HKTB will bundle wine and dine offers by catering outlets as well as accommodation and dining privileges by the hotel sector, so as to attract more visitors to come to Hong Kong to enjoy the wine and dine experience. In 2012-13, HKTB has earmarked \$8.7 million for organising and promoting the Wine and Dine Month. It will actively seek commercial sponsorship with a view to enriching the promotion with new elements.

Moreover, HKTB is planning to attend a number of large-scale international food and wine events in various long-haul markets, such as France, the United States, Australia and the United Kingdom, to showcase Hong Kong's wine and dine excellence, and promote our "Wine and Dine Month" in November 2012. In particular, the Bordeaux Wine Festival in June 2012 will feature Hong Kong as the City of Honour. HKTB will leverage on this opportunity to promote Hong Kong to visitors and gourmets from around the world. The related expenditure of the promotion work has been subsumed under the Government's provision for HKTB in 2012-13. It is difficult to quantify such expenditure separately.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

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 work of “supporting the further development of wine-related business”, what policies and measures will be put in place by the Bureau to “facilitate the movement of wine imports into the Mainland”? What practical work will be undertaken on the front of “manpower training and education”? What are the specific items?

For the above work, what will be the manpower and funding involved? What are the performance indicators?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

To facilitate the movement of wine imports into the Mainland, we rolled out with the Mainland Customs facilitation measures for wines imported from Hong Kong in June 2010. The measures include pre-valuation of duty whilst the wines are in Hong Kong and compression of clearance time at Mainland ports. The measures are being tried out in Shenzhen. So far, more than 40 Hong Kong companies have registered for participation in the scheme. We are now discussing with the Mainland on how to make the scheme more user-friendly, including extending the scheme beyond Shenzhen.

As regards manpower training and education, the Government has been fostering close liaison between the industry and the training institutions, with a view to allowing the two sides to work together in assessing long-term manpower needs and in mapping out the best way for meeting such needs. Responding to rising demand and driven by market forces, public as well as private training institutions are enriching/expanding their wine appreciation courses and developing enhanced manpower training programmes.

For instance, the Vocational Training Council (VTC) has been expediting the launching of new wine-related courses and modules since 2009 and strengthening its partnership with overseas institutions. This enhances the training that VTC offers to personnel ranging from sommeliers to frontline catering staff. There are 1 900 places in the 2011-12 academic year, and the figure will grow to 2 200 in 2012-13. VTC will also establish an International Cuisine College in 2014. As part of our efforts to sustain the development of wine-related business in Hong Kong, the College is to provide training on food and wine pairing, wine appreciation and other wine-related matters.

We have also encouraged partnership between local and overseas training institutions through the co-operation agreements signed with our trading partners. For example, the School of Professional and Continuing Education of the University of Hong Kong partnered with a French institution to launch the first Master of Business Administration's programme in Hong Kong on wine. The programme seeks to nurture managers with a good understanding of the wine business environment. At present, a total of 50 places are offered under the programme. The first batch of students graduated in 2011.

We coped with the above workload through re-deployment of existing resources. The related expenditure was subsumed under the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify the expenditure separately.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)093

Question Serial No.

2124

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 mentioned in the Budget that the Bureau will work with the Trade and Industry Department (TID) to seek an increase in the total loan guarantee commitment under the SME Loan Guarantee Scheme from \$20 billion to \$30 billion, and the total commitment for the SME Export Marketing Fund and SME Development Fund from \$2.75 billion to \$3.75 billion.

How many applications associated with travel agencies and tourism have been processed by the above scheme and funds in the past two financial years? How many applications have been approved? What is the total amount involved?

What are the projected changes in the number of applications associated with travel agencies and tourism and the amount of loan guarantees/grants in the new financial year?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Finance Committee of the Legislative Council approved an increase in the total loan guarantee commitment under the SME Loan Guarantee Scheme (SGS) from \$20 billion to \$30 billion, and an increase in the total commitment of the SME Export Marketing Fund (EMF) and SME Development Fund (SDF) from \$2.75 billion to \$3.75 billion in July 2011. The above-mentioned support schemes are administrated by the Trade and Industry Department.

In 2010-11 and 2011-12 (up to end of January 2012), 17 and 28 applications from the tourism, restaurant and hotel sector had been received under the SGS. 12 and 25 applications involving total loan amount of around \$39.6 million and \$58.7 million were approved respectively.

For the EMF, in 2010-11 and 2011-12 (up to end of January 2012), 51 and 49 applications from the tourism, restaurant and hotel sector had been received. 39 and 35 applications involving total funding of around \$550,000 and \$650,000 were approved respectively. No applications relating to travel agents or tourism-related projects were received during the same period under the SDF.

We expect that the number of applications and the loan guarantee/funding amounts involved in 2012-13 under the above-mentioned schemes will be similar to those in 2011-12.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)094

Question Serial No.

2125

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 :

How will the Commerce and Economic Development Bureau promote and introduce the SME Loan Guarantee Scheme and SME Development Fund to the small and medium enterprises (SMEs) of various industries in the new financial year?

What are the estimated manpower and resources required for the promotion and briefing work? What are the changes when compared with those of the past two financial years?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The SME Loan Guarantee Scheme and the SME Development Fund are administered by the Trade and Industry Department (TID). TID has been promoting the two schemes through various channels, including TID's website and publications (e.g. "SME Pulse" published biennially), pamphlets, TV and radio advertisements, etc. TID also conducts briefings and seminars, and participates in relevant activities organised by other organisations, with a view to promoting the schemes to SMEs and introducing to them the content and application details. TID also participates in relevant exhibitions, such as the annual World SME Expo, so as to reach out to more SMEs of different sectors and promote the schemes to them.

TID will continue to review from time to time the publicity efforts, with the aim of promoting the schemes more effectively. The manpower and expenditure of the work involved have been subsumed within the establishment and recurrent expenditure of TID.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

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

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)095

Question Serial No.

2126

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 the past, many travel agencies revealed to me that the application procedures of the SME Loan Guarantee Scheme (the scheme) were too complicated and the processing time too long on a number of occasions. Quite a number of small and medium sized travel agencies even did not know such a loan guarantee scheme had been introduced by the Government. Tourism is one of our pillar industries that provide many jobs. Enhancing the promotion of the scheme is beneficial to the overall development of the tourism industry. How will the Bureau strengthen its efforts in promoting the scheme to the SMEs related to tourism in the new financial year? Will the application procedures be streamlined and the processing time shortened?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The SME Loan Guarantee Scheme (SGS) is administered by the Trade and Industry Department (TID). TID has been promoting the scheme through various channels, including TID's website and publications (e.g. "SME Pulse" published biennially), pamphlets, TV and radio advertisements, etc. TID also conducts briefings and seminars from time to time, and participates in relevant activities organised by other organisations, with a view to promoting the scheme to the small and medium enterprises (SMEs) and introducing to them the content and application details. TID also participates in relevant exhibitions, such as the annual World SME Expo, so as to reach out to more SMEs of different sectors and promote the scheme to them. TID will continue to review from time to time the publicity efforts, with the aim of promoting the scheme more effectively.

Regarding the application procedure of SGS, SMEs have to submit applications to TID through the participating lending institutions (PLIs). The PLIs will adhere to prudent and professional principles in assessing the applicant enterprises' financial status, need for loan, business outlook and ability to repay, etc before deciding whether loans would be approved to the applicant enterprises with loan guarantee to be provided by the Government. There are now 38 PLIs. After TID has received a confirmed application with complete information from the PLI, TID would in general complete processing of the application and provide a reply within 3 working days. In 2011, the processing of all applications could be completed within 3 working days.

We will review the relevant procedures from time to time and endeavour to simplify the application procedures and shorten the processing time as far as practicable.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

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 will the Commerce, Industry and Tourism Branch enhance efforts in promoting co-operation between Hong Kong and Taiwan on tourism in 2012-13? Please advise on the manpower and resources involved in this area and the increase in expenditure as compared with that of the past two financial years. What achievements are expected (including the increase in the number of visitors and the amount of their spending in Hong Kong)?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2012-13, this Bureau will continue to support the promotion work of the Hong Kong Tourism Board (HKTb) in Taiwan. Taiwan is Hong Kong's second largest source market. The HKTb established an official office in Taipei in September 2011, which would further strengthen the HKTb's presence and its promotion work in Taiwan, and deepen the exchanges and collaboration between the travel trade of the two places. In 2012-13, the HKTb will continue its efforts in carrying out active promotion work in the Taiwan market. It will target at family and young visitor segments to attract more overnight vacation visitors to Hong Kong, and will step up its promotion work in the second-tier cities in Taiwan (such as Taichung and Kaohsiung). The HKTb will launch a wide range of promotion activities in Taiwan, including targeting at local visitors' interest and launching publicity to showcase Hong Kong's appeal in shopping and dining by leveraging large-scale events like "Hong Kong Summer Spectacular" and "Hong Kong Wine and Dine Month"; collaborating with Taiwan television stations to feature Hong Kong's tourism offerings in popular television programmes so as to increase Hong Kong's exposure in Taiwan media; partnering with the trade in Taiwan to launch strategic promotions of Hong Kong's tourism products during mega events and at large-scale travel fairs; and collaborating with the trade of Hong Kong and Taiwan to draw arrivals for incentive travels to Hong Kong.

The estimated marketing budget of the HKTB for Taiwan in 2012-13 is about \$11.7 million, 15.8% lower than the actual expenditure for 2010-11 but 6.4% higher than the revised estimate for 2011-12. As regards staffing, the head-count of officers involved in the promotion work in Taiwan has been subsumed into the establishment of the HKTB. It is difficult to quantify it separately.

The HKTB projects that total visitor arrivals from Taiwan to Hong Kong in 2012 will increase to 2.19 million, representing a year-on-year increase of around 2%. Among these, overnight visitors with higher spending will increase by 7.1% to about 830 000. The total tourism expenditure associated to inbound Taiwanese visitors will increase to \$5.807 billion, representing a 6.9% increase over the projection for 2011.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)097

Question Serial No.

2128

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 the new financial year, one of the “Matters Requiring Special Attention” for the Hong Kong Trade Development Council is to “support Government’s initiatives to promote the six industries”. What are the projects involved in promoting Hong Kong’s tourism? What is the expenditure for each project? Will these projects overlap with the work of the Hong Kong Tourism Board?

What is the estimated expenditure for the above work? How much has the expenditure increased/decreased as compared with that of the past two financial years?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Hong Kong Trade Development Council (TDC) will continue to support the Government’s policy to promote the development of the six industries. Major work in 2012-13 is listed below:

- (a) **Innovation and technology**: To organise inbound and outbound business missions to help Small and Medium Enterprises (SMEs) establish new connections in Hong Kong and overseas in niche technology sectors such as biotechnology, auto-parts and medical devices; to stage a series of nano-technology forums with professional institutions; to continue to stage the Inno Design Tech Expo; and to introduce a new Home Grown Innovation zone at the International Information and Communications Technology Expo.
- (b) **Environmental industries**: To continue to stage the Eco Expo Asia which serves as a trade platform for green products and services; to feature eco-friendly products of Hong Kong in major overseas trade fairs such as the Nuremburg Toy Fair and CeBIT; to set up green zones in local fairs to promote Hong Kong’s green manufacturing capability; and to organise two-way business missions to enable the green technology companies in Hong Kong establish networks with their counterparts in the Mainland, Europe, Australia, the US and Japan.

- (c) **Creative industries:** To support the 2012 Hong Kong Design Year and enhance promotion for Hong Kong’s design services; to organise a series of “Creativity in Business” seminars beyond the Pearl River Delta (PRD) Region in Sichuan and Fujian; to organise delegations to the Southeast Asia and the Middle East to promote Hong Kong’s architectural services; to organise the SmartHK exhibition in Hangzhou; and to continue to stage exhibitions in Hong Kong which will facilitate the development of creative industries such as the Inno Design Tech Expo in Hong Kong, the Hong Kong International Licensing Show and the Hong Kong International Film & TV Market.
- (d) **Testing and certification services:** To continue to collaborate with the Hong Kong Council of Testing and Certification and the Hong Kong Accreditation Service to promote the advantages of the industry in various trade events.
- (e) **Education services:** To work with the Education Bureau and the University Grants Committee; to promote Hong Kong’s higher education services through roadshows to Korea and India and online platform; and to develop the annual Education and Career Expo into a regional event to attract more PRD students and their parents to attend.
- (f) **Medical services:** To develop the Medical Devices and Supplies Fair and the International Conference and Exhibition of the Modernisation of Chinese Medicine and Health Products as the trade platform for the industry; and to promote Hong Kong’s professional, reliable and value-for-money medical and healthcare services through a designated website.

The costs of the above initiatives have been included in TDC’s overall trade promotion budget for 2012-13. As these initiatives cut across a number of programme areas, it is not possible to provide an accurate estimate for the expenditure of the above items.

For the promotion of Hong Kong’s tourism, TDC has been working closely with the Hong Kong Tourism Board (HKTB). Moreover, TDC has set up a HKTB’s information desk at local trade fairs organised by TDC and a hyperlink to HKTB’s website so as to facilitate overseas and Mainland buyers to collect tourist information in Hong Kong easily. TDC also co-operates with the Meetings and Exhibitions in Hong Kong under HKTB and Hong Kong Exhibition and Convention Industry Association to organise roadshows, seminars and networking events in overseas markets with an aim to promoting the advantage of Hong Kong’s convention and exhibition industry, and Hong Kong’s position as the preferred Meetings, Incentive travels, Conventions and Exhibitions (MICE) destination.

Through its website, SME Centre and overseas offices, TDC disseminates information on all fairs in Hong Kong, including those fairs not organised by TDC. Moreover, TDC promotes Hong Kong mega trade fairs through advertising in exhibition venues, magazines and online media. The dates and venues of the fairs are also included.

In 2012-13, TDC has budgeted \$2.3 million for MICE promotion.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)098

Question Serial No.

2129

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 the past, the Hong Kong Trade Development Council (HKTDC) has been frequently criticised as “competing with the private sector for profit” on an unfair basis of receiving direct subsidy from the Government. It is also very likely that the HKTDC will be excluded from the scope of the Competition Bill under scrutiny. What policy will the Commerce and Economic Development Bureau adopt in the new financial year to avoid launching promotional programmes that will “compete with the private sector for profit” so as not to hamper the development of private enterprises and distort market operation?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The main functions of Hong Kong Trade Development Council (TDC) are to promote, assist and develop Hong Kong's trade with places outside Hong Kong, with particular reference to exports; and to make such recommendations to the Government as it sees fit in relation to any measures which it considers would achieve an increase in Hong Kong's trade. TDC's activities are crucial for promoting the trade of Hong Kong and assisting small and medium enterprises (SMEs) to explore new markets.

TDC operates differently from private companies in the market. Since private companies are profit-driven, they would normally save costs and organise less activities such as trade fairs in response to the decline in demand during an economic downturn. In other words, SMEs may not be able to get any service from them when they are in most need of it. On the other hand, since it is TDC's statutory duty to promote and develop Hong Kong's export and trade, TDC would respond positively to Government's request to maintain or even increase the number of its trade promotion activities such as trade fairs in unfavorable economic situation to provide assistance for SMEs in Hong Kong. Even though running such fairs would lead to losses for TDC, it would fulfill its statutory duties to support Government's policies and maintain the overall competitiveness of Hong Kong.

TDC, a statutory body, is exempted from the core provisions of the Competition Bill by virtue of clause 3(1). Although exempted, TDC will be required to adhere to the competition rules. The Administration would seek to ensure that TDC would not engage in anti-competitive conduct.

Signature	_____
Name in block letters	<u>Andrew HY WONG</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)</u>
Date	<u>29.2.2012</u>

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

Reply Serial No.

CEDB(CIT)099

Question Serial No.

2130

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 :

Last year, the wine industry's promotional programmes and the Hong Kong Tourism Board's (HKTB) Hong Kong Wine and Dine Festival were organised at about the same time and were of a similar nature. Will the Commerce and Economic Development Bureau (CEDB) organise any promotional programmes in the new financial year? What is the expenditure in this regard? How does the CEDB avoid overlapping its promotional efforts with those of the HKTB?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In recent years, various wine promotional activities were held in the months of October and November in the interest of creating synergy. The main promotion projects under the coordination of the Commerce and Economic Development Bureau include the Hong Kong International Wine and Spirits Fair (organised by the Hong Kong Trade Development Council (TDC)), and the Hong Kong Wine and Dine Festival (staged by the Hong Kong Tourism Board (HKTB)). We will continue to organise these two events in 2012.

The above two promotional events differ in terms of objectives, nature and target participants. TDC's Wine and Spirits Fair is an event for traders. It provides a platform for companies from wine-producing countries and regions all over the world to showcase their wines to buyers and traders in Hong Kong and other Asian economies for the purpose of business matching. Through successful transactions, this helps fortify Hong Kong's position as a regional wine trading and distribution hub.

HKTB's Wine and Dine Festival, on the other hand, aims to cultivate in Hong Kong a wine appreciation culture and enhance the knowledge related to wine appreciation among local residents, restaurant practitioners and tourists. Besides drawing visitors' participation in the Festival, it also helps project in the long run Hong Kong's image and brand as a wine and gourmet centre in Asia, thereby attracting more overseas and Mainland consumers to come to Hong Kong for gastronomic experience with fine wines and enhancing our city's appeal as a travel destination with diverse attractions.

Moreover, HKTB is planning to attend a number of large-scale international food and wine events in various long-haul markets, such as France, the United States, Australia and the United Kingdom, to showcase Hong Kong's wine and dine excellence, and promote our "Wine and Dine Month" in November 2012. In particular, the Bordeaux Wine Festival in June 2012 will feature Hong Kong as the City of Honour. HKTB will leverage on this opportunity to promote Hong Kong to visitors and gourmets from around the world.

In brief, TDC focuses on the promotion of the wine trade, while HKTB carries out the function of tourism branding and enriching Hong Kong's tourism offerings. The positioning and objectives of these two organisations are distinct from each other, and yet complementary at the same time. Both contribute to the economic development of Hong Kong.

We coped with the above work through re-deployment of existing resources. The costs of the two promotional events were recovered through government subvention, charging of fees or commercial sponsorship.

Signature _____

Name in block letters Andrew HY WONG

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

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)100

Question Serial No.

2131

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 :

How will the Hong Kong Trade Development Council showcase Hong Kong's unique strengths as a bridge between the West and the East in 2012-13 as mentioned on page 314 of the Budget. What are the projects involved? What is the expenditure for each project?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

As the focus of the global economy is shifting to the East, many overseas enterprises and brands are interested in expanding into the Asian markets and consider Hong Kong a good business platform to develop their business in Asia, in particular in Mainland China. The strategy of the Hong Kong Trade Development Council (TDC) is to promote the advantages of Hong Kong as the bridge between the East and the West, as well as our leading position in international sourcing and trade support services. The major programmes to be covered in 2012-13 are as follows: -

- to collaborate with the United States' (US) Commercial Service and other multipliers to broaden the promotional efforts under the Pacific Bridge Initiative to showcase Hong Kong as a technology transfer centre;
- to encourage high-tech US companies, in particular those coming from the environmental protection, biotechnology, medical and information and technology sectors, to visit Hong Kong and take part in our trade fairs;
- to organise large-scale road shows in Western Europe to promote the advantages of using the Hong Kong platform to penetrate the Mainland and other Asian markets;
- to organise return missions for TDC's UK partners of the 2011 "Think Asia, Think Hong Kong" campaign to Hong Kong, for the purpose of participating in the Inno Design Tech Expo, Asian Financial Forum, Hong Kong International Film & TV Market and Asian Logistics and Maritime Conference;

- to expand the network of the Federation of Hong Kong Business Associations Worldwide to Latin America and the Middle East; and
- to leverage on Hong Kong Government officials' outbound missions, as well as road shows jointly organised with cities in the Pearl River Delta Region to promote Hong Kong as the gateway for overseas companies entering into the Mainland market.

The above items are part of the work covered under programme (3). We do not have separate breakdown of expenditures of each item.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)101

Question Serial No.

2132

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 :

With regard to the role of the Hong Kong Trade Development Council in helping Hong Kong companies embrace the opportunities arising from Japan's reconstruction in the aftermath of the earthquake, what has been done specifically? What are the projects related to tourism? How much manpower and resources are involved in these projects?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

After the earthquake in Japan, the Hong Kong Trade Development Council (TDC) and Hong Kong - Japan Business Co-operation Committee co-organised a high level business delegation to Japan in July 2011 to better understand the latest situation after the disaster. A Hong Kong-Japan Economic Summit was also held in September 2011 to brief the Hong Kong business community about the economic situation in Japan and to enable businesses on both sides to explore new opportunities.

In response to the latest development in Japan, the TDC has developed 7 strategies to help Hong Kong companies capitalise on business opportunities arising from Japan's reconstruction in the aftermath of the earthquake. As part of the strategies, TDC organised more Japanese buyers' missions to visit trade fairs in Hong Kong as well as Hong Kong business delegations to visit Japan etc., covering sectors such as garments, fashion accessories, medical equipments, gifts, houseware, toys, pet supplies, food, electronics and environmental protection products industries. Details of TDC's strategies are as follows:-

1. to encourage Japanese companies to relocate their manufacturing bases to the Mainland and set up regional headquarters in Hong Kong;
2. to provide customised business matching service to encourage Japanese enterprises to source from Hong Kong suppliers, with a view to targeting at Japan's huge demand for relief-related items for its reconstruction programme;

3. to encourage Japanese enterprises to expand business to the Mainland and Asia via Hong Kong, so as to minimise the adverse effects brought about by the shrinking domestic market in Japan;
4. to encourage Japan's technology owners to export their technology and intellectual properties to the Mainland and other Asian countries, since they are now more willing to transfer their technologies overseas;
5. to encourage more Japanese enterprises to make use of Hong Kong's fund raising capabilities;
6. to organise mega promotional activities in Japan to promote Hong Kong as an ideal platform for Japanese exporters to access the Mainland and Asian markets; and
7. to strengthen the cooperation with regional governments and associations in Japan to promote the edge of the Hong Kong business platform to Japanese small and medium enterprises.

These activities have successfully helped Hong Kong companies to discuss business deals with over 1 000 Japanese buyers. The number of Japanese buyers attending TDC trade fairs in 2011 has also increased by 2% as compared with the previous year.

The total budget for Japan's reconstruction-related programmes in 2012-13 is about \$45 million. Major activities in the programme include the following :-

- TDC will stage a signature campaign in Tokyo and Osaka to raise Hong Kong's profile in Japan and showcase the advantages of the Hong Kong business platform in May 2012. TDC will also organise a series of roadshows, targeting at Japan's SMEs to promote the advantages of partnership with Hong Kong companies.
- TDC will continue to expand the Japan Pavilions in its trade fairs such as Eco Expo Asia, Hong Kong International Jewellery Show, Hong Kong Fashion Week, Hong Kong Optical Fair and Hong Kong Gifts & Premium Fair. Japan will also be the partner country for the Food Expo this year.
- TDC plans to promote Hong Kong to Japan's business community as a platform for fund-raising and technology transfer through various programmes such as Asian Financial Forum and Business of Intellectual Property Asia Forum. TDC is also planning a large-scale technology delegation to Japan to give Hong Kong companies a better understanding of the latest technological developments in Japan and to facilitate technology transfer co-operation between the two places.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)102

Question Serial No.

2133

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 Consumer Council estimates that 30 000 consumer complaints will be received in 2012. How many of them involve in-bound tourists (especially Mainland visitors) or what is the corresponding percentage? How many complaints involve “unscrupulous shops”, “unscrupulous taxis” and “unlicensed guesthouses”? Have manpower and additional resources been earmarked to handle cases which are expected to show an increase?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The numbers of complaints received by the Consumer Council (CC) in 2010 and 2011 were 29 048 and 27 541 respectively. There were respectively 2 033 and 2 342 complaints lodged by visitors, amounting to 7% and 8.5% of the total. Of these, 1 420 and 1 698 complaints were lodged by visitors from the Mainland, representing 4.9% and 6.2% respectively of the grand total.

According to the record of 2011, photographic equipment and telecommunications products are the main subjects of complaints lodged by visitors (including those from the Mainland). There were 539 and 238 complaints respectively, amounting to 23% and 10% of the total complaints lodged by visitors. There were only five visitors' complaints (0.2%) against the services of or the fares charged by taxis and 72 complaints (3%) against services provided by hotels or guesthouses.

The CC envisages that the number of visitors' complaints may grow as a result of the increasing number of visitors to Hong Kong. The CC will closely monitor the growth of the number of visitors and deploy internal resources flexibly to maintain the quality and efficiency of complaint handling. Taking into account the current situation, the manpower of the CC is estimated to be sufficient to deal with the additional case load.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)103

Question Serial No.

2134

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 :

One of the performance targets of the Consumer Council in 2012 is to raise the percentage of consumers' telephone complaints answered within three minutes from 80% to 85%. Does this target cover telephone complaints of inbound visitors, in particular inbound Mainland visitors? Regarding issuing preliminary written reply and notifying complainants of results/progress, the time required is estimated at 7 and 16 days respectively. Do such cases cover complaints of inbound visitors, in particular inbound Mainland visitors? Given that the above time frame for handling telephone and written complaints can hardly cater for the needs of visitors on a brief stay here, has the Administration assessed the situation? Are there any measures and policies in place to handle complaints of visitors on a brief stay and to follow up the complaints after their departure, if so, what are their details and the estimated manpower and resources required for such work, if not, would it be assessed as soon as possible?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

Regarding the complaint and enquiry hotline services provided by the Consumer Council (CC), all incoming calls (irrespective of whether they are from local residents and visitors) are answered by staff on a first-come-first-served basis. In 2012, the CC endeavours to enhance its service efficiency and raises the target percentage of answering telephone complaints within three minutes from 80% to 85%. This pledge applies to telephone complaints lodged by visitors (including Mainland visitors). In fact, all the performance pledges of the CC, including those on issuing preliminary reply and notifying complainants of results/progress, apply to all consumers, including visitors to Hong Kong.

In respect of complaint handling, the CC resolves disputes mainly through mediation and assists consumers in negotiating with traders for settlement. As such, the time for handling may vary among cases.

If a visitor lodges a complaint with the CC in person during his stay in Hong Kong, staff will flexibly handle the case. For example, the staff will immediately contact the shop concerned with a view to resolving the dispute as soon as possible. However, as the departure time of the visitors concerned varies and since account has to be taken of the response of the traders, the CC is unable to ensure that the case could be settled before the visitors' departure. Nevertheless, the CC will not stop its follow-up actions because of the visitors' departure. Staff will liaise with the visitors through telephone, email or mail, and will continue discussion with the traders.

If a visitor lodges a complaint with the CC by telephone, email or mail after his departure, the CC will follow up the case and inform the complainant of the result within the time limit as specified in its performance pledge.

According to the CC's experience, the vast majority of visitors lodge their complaints after leaving Hong Kong. In view of this, no extra resources are required to cater for complaints made by short-haul visitors before their departure.

Furthermore, if visitors are involved in any emergency or suspected fraud, they can report to the Police for assistance. The Customs and Excise Department will also deploy its Quick Response Teams, which are on call around the clock, to handle complaints involving suspected contravention of the Trade Descriptions Ordinance.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)104

Question Serial No.

2135

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 :

Among the complaints received by the Consumer Council last year, how many of them were complaints from tourists referred by the Travel Industry Council of Hong Kong (TIC)?

What is the expected increase of such referral cases in the coming financial year?

What were and what will be the manpower and resources required to handle such complaints in the past and coming financial year?

What are the reasons for the Consumer Council to replace TIC in handling such complaints from tourists? (At present, TIC is the only body vested with the statutory power.)

Asked by : Hon. TSE Wai-chun, Paul

Reply :

To enhance the efficiency in handling complaints and optimise the use of resources, the Consumer Council (CC) and the Travel Industry Council (TIC) have established a complaint referral mechanism. Complaints received by the CC that involve issues under the TIC's regulatory purview, such as complaints against shops registered under the TIC, dissatisfaction of outbound travellers about local travel agencies, or disputes regarding reception service and shopping arrangement for inbound tour groups etc., are referred to the TIC for direct contact with the member travel agent or registered shop and traveller concerned. For complaints involving issues outside the TIC's purview, such as shopping at general retail shops, the CC will directly contact the merchants and consumers concerned for follow-up actions.

In 2011, the CC received no referral of travellers' complaints from the TIC. It is expected that the number of complaints referred by the TIC will not significantly increase in the new financial year.

Signature	_____
Name in block letters	<u>Andrew HY WONG</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)</u>
Date	<u>29.2.2012</u>

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

Reply Serial No.

CEDB(CIT)105

Question Serial No.

2136

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 :

It is mentioned on p.316 of the 2012-13 Estimates that “In 2011, the Consumer Council conducted more product tests which involved substantial human resources. This led to a diversion of resources and thus the decrease in the number of consumer surveys and studies of general interest.”

Does the above remark indicate that there will be a shortage of manpower and resources in the Consumer Council?

What kind of “surveys” and “studies of general interest” were involved in relation to the decrease in the number of consumer surveys and studies of general interest? Were there any travel and tourism related matters?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

Each year, the Consumer Council (CC) conducts product tests, studies of general interest, in-depth researches and consumer surveys. Generally speaking, manpower and resources are deployed in accordance with the respective resource demands of researches and studies scheduled for the year. For example, if product tests in a year require substantial resources, resources for surveys or topical researches might need to be adjusted, and vice versa.

In recent years, the in-depth studies conducted by the CC have become more extensive and complicated and the number of product tests has increased. As a result, the number of consumer surveys and studies of general interest conducted by the CC in 2011 has been slightly reduced. Nevertheless, the reduction only affects new consumer surveys and studies of general interest, and does not affect regular projects (such as the supermarket prices survey and the survey on prices of and spending on textbooks). Given the expanded scale of the completed researches and the greater resources devoted, the results should be of greater reference value for consumers.

In 2011, the CC has conducted in-depth studies on various travel-related matters, including roaming services for outbound tourists, points to note on self-drive car services abroad and sales practices of outbound group tours.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)106

Question Serial No.

2137

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 :

Among the 215 “consumer educational programmes” mentioned in the 2012-13 Estimates, how many of them are targeted on tourists? What will be the cost involved for each programme?

As the number of complaints from inbound tourists has been on the rise in recent years, will the Consumer Council increase or deploy resources and manpower to provide more programmes to “educate” inbound tourists and “assist tourists in better understanding Hong Kong’s market practices”?

If yes, what is the specific plan? If no, can the Consumer Council look into the matter as soon as possible?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Consumer Council (CC) is concerned about the consumer rights of visitors and has established the “Shopsmart” website for visitors from the Mainland. The website aims to enhance their understanding about Hong Kong, assist them to appreciate the cultural differences between the two places, strengthen their confidence to shop in Hong Kong and raise their awareness of their consumer rights before they come to Hong Kong.

Apart from the latest product testing reports and surveys, “Shopsmart” contains information on cultural diversity, tips on using credit cards, prohibited / controlled items into or out of Hong Kong and issues on refunds. Separately, complaint cases and the list of shops convicted of selling counterfeit drugs are also posted on the website for reference. Promotion leaflets on the website are available at inbound border control points.

As at January 2012, the website has been viewed more than 1 million times and recorded a hit rate of over 98 million. In view of its popularity, the CC plans to revamp the design of the “Shopsmart” website and strengthen its contents in 2012-13. The CC also plans to launch a mobile version, so that users can surf the website by mobile phones. The CC will also step up promotion by establishing hyperlinks with websites of search engines on the Mainland, the National Tourism Administration of The Peoples’ Republic of China, and other consumer protection agencies in the Mainland. The cost concerned will be around HK\$300,000.

The Council organizes “consumer education programmes” on a regular basis and the programmes are mainly aimed for local consumers, including teenagers, senior persons and new arrivals as well as teachers, social workers, parents, women and persons with disabilities.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)107

Question Serial No.

2138

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 :

Can the Consumer Council extend its Weekly Price Survey (covering food items and daily necessities available for sale in supermarkets and retail outlets) and Supermarket Price Watch to cover the tourism market, including the comparison of prices and quality of travel products such as travel insurance and the itineraries of different travel agents, so that local travellers and Mainland and overseas tourists can use such information as reference when they plan their trip? If so, what is the extra manpower likely to be required? If not, can it consider this suggestion as soon as possible?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2008, the Consumer Council (the Council) launched surveys to monitor the prices of food items and daily necessities, the objective being to enhance the transparency of the prices of major daily commodities. At present, the Weekly Price Survey compares the prices of a basket of food items and daily necessities available for sale in supermarket chains, health and beauty chain stores, grocery stores and drug stores. The Supermarket Price Watch monitors the prices of about 1 300 items available for sale in online stores of four supermarkets and retail stores. The Council has no plan to expand the two surveys to cover other areas. As travel products differ from each other very much in terms of their nature and details, it would be more difficult to conduct regular and direct comparison in the same way as the Council does for daily commodities. Nevertheless, the Council will continue to carry out surveys or studies on topics which are of consumers' concern, including those in relation to travelling (such as studies on travel insurance and outbound travel alert system that it has conducted in recent years, and opinion surveys on travel agencies). The results will be publicized through the Choice Magazine and uploaded to the ShopSmart website.

Signature _____

Name in block letters Andrew HY WONG

Post Title Permanent Secretary for Commerce and
Economic Development

(Commerce, Industry and Tourism)

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)108

Question Serial No.

2139

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 :

As mentioned on p.316 of the 2012-13 Estimates, the matters requiring special attention by the Consumer Council in 2012-13 include: to enhance and promote the dedicated “Shopsmart” website for Mainland visitors in Hong Kong.

What is the specific promotion plan? Moreover, how will the website be enhanced? Will a special column be added so that visitors can lodge their complaints through the website? What resources will be involved in promoting and enhancing the above website?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Consumer Council (CC) is concerned about the consumer rights of visitors and has established the “Shopsmart” website for visitors from the Mainland. The website aims to enhance their understanding about Hong Kong, assist them to appreciate the cultural differences between the two places, strengthen their confidence to shop in Hong Kong and raise their awareness of their consumer rights before they come to Hong Kong.

Apart from the latest product testing reports and surveys, “Shopsmart” contains information on cultural diversity, tips on using credit cards, prohibited / controlled items into or out of Hong Kong and issues on refunds. Separately, complaint cases and the list of shops convicted of selling counterfeit drugs are also posted on the website for reference. Promotion leaflets on the website are available at inbound border control points.

As at January 2012, the website has been viewed more than 1 million times and recorded a hit rate of over 98 million. In view of its popularity, the CC plans to revamp the design of the “Shopsmart” website and strengthen its contents in 2012-13. The CC also plans to launch a mobile version, so that users can surf the website by mobile phones. The CC will also step up promotion by establishing hyperlinks with websites of search engines on the Mainland, the National Tourism Administration of The Peoples’ Republic of China, and other consumer protection agencies in the Mainland. The cost concerned will be around HK\$300,000.

Furthermore, there are already dedicated pages in the “Shopsmart” website which remind visitors that if they wish to, they may lodge complaints or reflect their views to the CC through telephone, email or in person.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)109

Question Serial No.

2140

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

Subhead (No. & title) : 000 Operational
expenses

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 in detail the expenditure items and the respective estimated expenditure for the provision earmarked for the establishment and operation of the Competition Commission out of the increase of \$80.9 million under Programme (4).

Please also set out in detail the respective expenditure items and estimated expenditure under the increased allocations for various subventions.

Asked by : Hon. TSE Wai-chun, Paul

Reply :

Under Programme (4), the increase in 2012-13 estimate over the 2011-12 revised estimate is \$80.9 million. This includes the provision of \$80.7 million mainly for the recruitment and employment of the Competition Commission's staff, the leasing of the Commission's office accommodation, and research and promotional work of the Competition Commission. The actual expenditure will depend on the legislative progress of the Bill.

Separately, subventions in the 2012-13 estimate increase by \$28.174 million over the 2011-12 revised estimate. The respective expenditure items and estimated expenditure under the increased allocations for various subventions are set out below:

Subventions	Increased provision in 2012-13 estimate over the 2011-12 revised estimate (\$)	Expenditure items	Estimated expenditure (\$)
Consumer Council	10,000	Manpower deployment	10,000

Subventions	Increased provision in 2012-13 estimate over the 2011-12 revised estimate (\$)	Expenditure items	Estimated expenditure (\$)
Hong Kong Tourism Board	22,547,000	(i) Strengthening marketing activities in emerging markets	8,000,000
		(ii) Strengthening promotion of cruise tourism	9,000,000
		(iii) Digital marketing and event management work, etc.	5,547,000
Hong Kong Trade Development Council (HKTDC)	5,617,000	The subvention allocated to HKTDC is determined having regard to factors such as the Government's financial position, HKTDC's funding requirements and inflation. In 2012-13, HKTDC will step up its promotional activities with a view to assisting Hong Kong enterprises to maintain their competitiveness in the uncertain economic environment.	5,617,000
Total:	28,174,000		

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)110

Question Serial No.

2142

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 mentioned on p.318 of the Estimates of Expenditure that the Commerce, Industry and Tourism Branch (CITB) will “continue to co-ordinate work on policy and project initiatives to facilitate tourism development” in 2012-13. How will the CITB deal with the motion adopted by the Legislative Council and the various suggestions on tourism development proposed by the legislators?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In the further development of Kowloon East, we will liaise with the tourism industry and take into account Members' views expressed in the motion debate on 14 December 2011 to ensure that the relevant tourism initiatives would meet the needs and aspirations of our visitors. This will reinforce the part Kowloon East will play in the tourism development of Hong Kong. We will also capitalize on the expected commissioning of the new cruise terminal at Kai Tak in mid-2013 and work with the travel trade through the Hong Kong Tourism Board (HKTB) to develop new shore excursion programmes covering the major tourism spots in Kowloon East in order to enrich the onshore experience of cruise passengers. Moreover, we will continue to work closely with the HKTB to enhance the attractiveness of Hong Kong to cruise companies and tourists and stimulate market demand for cruising.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

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

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)111

Question Serial No.

2143

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 Budget Speech has mentioned that the first berth of the cruise terminal is expected to start operation in mid-2013. Can the Commerce, Industry and Tourism Branch, capitalizing on the opportunity presented by the cruise terminal, consider legislators' suggestions as soon as possible and seek funding to implement tourism development projects in Kowloon East?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

We will capitalize on the expected commissioning of the new cruise terminal at Kai Tak in mid-2013 and work with the travel trade through the Hong Kong Tourism Board (HKTB) to develop new shore excursion programmes covering the major tourism spots in Kowloon East. This will enrich the onshore experience of cruise passengers. We will also continue to work closely with the HKTB to enhance the attractiveness of Hong Kong to cruise companies and tourists and stimulate market demand for cruising. Moreover, in the further development of Kowloon East, we will liaise with the tourism industry and take into account Members' views expressed in the motion debate on 14 December 2011 to ensure that the relevant tourism initiatives would meet the needs and aspirations of our visitors. This will reinforce the part Kowloon East will play in the tourism development of Hong Kong.

Signature _____

Name in block letters Andrew HY WONG

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

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)112

Question Serial No.

2152

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 promote tactical corporation with overseas trade in key long-haul and short-haul markets in 2012-13? What are the indicators to measure the effectiveness? What are the expected cost and manpower implications? (Please list in detail the items and expenditures of integrated marketing activities for each overseas market.)

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2012-13, the Hong Kong Tourism Board (HKTB) will develop strategic partnership with travel trade partners in both long-haul and short-haul visitor source markets. The key initiatives include:

- **Participating in major travel trade shows overseas:** The HKTB will participate in major travel shows in various source markets, such as the World Travel Mart (WTM) in the UK, the International Tourism Bourse (ITB) in Germany and the Arabian Travel Mart in Dubai. During the trade show periods, the HKTB will organise activities to directly promote Hong Kong to the trade partners in the respective markets, including multi-destination itineraries featuring Hong Kong.
- **Organising travel trade missions and meetings:** The HKTB will team up with the Hong Kong travel trade to visit various source markets, such as the UK, Japan, South Korea and Vietnam, and conduct meetings with the trade in the respective markets to establish relations and explore business prospects. In addition, the HKTB will organise mega familiarisation visit tours to Hong Kong for the overseas trade, and will invite senior executives of the travel agencies in target markets to visit and experience Hong Kong's tourism products, mega events, as well as multi-destination itineraries. Meetings with the local trade will also be organised to explore co-operation opportunities.

- **Joint promotion of Hong Kong travel packages:** Leveraging on the mega events organised by the HKTB and signature events by other organisations during the year, the HKTB will devise and promote travel packages of different themes with travel agencies in different source markets. It will co-operate with the travel trade in Mainland cities, especially those in Pan-Pearl River Delta, and Macao to develop and promote multi-destination itineraries. In addition, the HKTB will work with the Mainland travel trade and travel portals to promote Quality and Honest Hong Kong tours programme in the Mainland.

The above initiatives are handled by a dedicated team at the HKTB Head Office in collaboration with the HKTB's Worldwide Offices and representatives in the target source markets. The performance indicators of these initiatives include the number of co-operative promotions launched overseas, as well as the level of support and participation of the travel trade in the promotional activities.

In 2012-13, the HKTB has earmarked \$36.4 million for strengthening trade support and partnership. The amount already includes the joint promotion between the HKTB and the travel trade in visitor source markets and Hong Kong. Details of the partnerships and the expenditure to be incurred, as well as the number of participating travel agencies, can only be finalised upon submission of proposals by the travel trade.

Signature	_____
Name in block letters	Andrew HY WONG
	Permanent Secretary for Commerce and Economic Development
Post Title	(Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)113

Question Serial No.

2153

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 promotional campaigns will the Hong Kong Tourism Board (HKTB) adopt to penetrate into the markets of India, the Middle East, Vietnam, the Netherlands and Russia? (Please give details of the promotional campaigns by country and of the estimated expenditure by campaign.)

What is the percentage change in HKTB's promotional expenditure for the above countries as against that in the last two financial years?

Are there performance indicators (e.g. visitor number forecast, length of stay in Hong Kong and spending during stay) for expenditure in individual markets?

If yes, what are the details; if no, would performance indicators be set as soon as possible to convince the public that HKTB's promotional expenditure is well spent?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Hong Kong Tourism Board (HKTB) is committed to developing new and emerging markets so as to open up new sources of visitor arrivals for Hong Kong. In 2012-13, the HKTB will adopt a focused marketing approach in these markets, targeting specific cities and visitor segments in each market and launching promotion during specific periods of the year. Major marketing strategies for the emerging markets are as follows:

India - Focusing resources on the four cities of Mumbai, New Delhi, Bengaluru and Chennai, which are all connected to Hong Kong by direct flights and contribute some 80% of all Indian arrivals to Hong Kong:

- To focus promotion in the summer and winter periods and launch travel packages with airlines.
- To roll out multi-destination itineraries with Macau.
- To develop travel programmes in collaboration with Indian TV stations and raise Hong Kong's profile through celebrity endorsement.

- To launch direct consumer promotion on the latest tourism products of Hong Kong.
- To invite the Indian travel trade on large scale familiarisation visits to Hong Kong to gain first-hand experience of the tourism products and attractions of Hong Kong. Arrange meetings between the Indian and the Hong Kong travel trade for them to explore co-operation opportunities.

The Middle East – Concentrating promotion in the United Emirates (Dubai and Abu Dhabi) and Saudi Arabia:

- To collaborate with airlines to promote Hong Kong tourism products.
- To organise online and public relations activities, such as media familiarisation tours to Hong Kong, to increase local consumers' knowledge of Hong Kong.
- To invite the travel trade from the Middle East on familiarisation visits to Hong Kong to gain first-hand experience of the tourism products and attractions of Hong Kong. Arrange meetings between the Middle East and the Hong Kong travel trade for them to explore co-operation opportunities.

Russia – Targeting promotion at Moscow and St Petersburg, in anticipation of the significant increase of flights between Hong Kong and these two cities by 80% in 2012:

- To increase Hong Kong's exposure through consumer promotion, such as radio programmes and outdoor advertisements.
- To continue partnership with Hainan to promote the Hong Kong-Hainan combo itineraries.
- To invite the travel trade to consider the possibility of arranging chartered flights from Russia to Hong Kong during winter, which is one of the most popular travel seasons among Russian visitors.
- To invite the Russian travel trade on large scale familiarisation visits to Hong Kong to gain first-hand experience of the tourism products and attractions of Hong Kong. Arrange meetings between the Russian and the Hong Kong travel trade for them to explore co-operation opportunities.

Vietnam – Focusing on launching promotions in Hanoi and Ho Chi Minh City:

- To appoint a representative in the market for launching promotion.
- To launch tactical promotion with airlines.
- To organise travel missions for the travel trade to visit the two cities for seeking exchange and collaboration with the Vietnamese travel trade.
- To promote Hong Kong's tourism offerings and large scale events, as well as raise consumer awareness of Hong Kong as a travel destination through public relations activities, radio promotion and outdoor advertisements.

The Netherlands – Focusing promotion on Amsterdam:

- To appoint a representative in the city to launch promotion in the market.
- To co-operate with the travel trade, including airlines and travel agencies, in rolling out tactical advertisements targeting at senior travellers.
- To conduct road shows and training courses to strengthen partnership with the Dutch travel trade and increase their knowledge of Hong Kong.

The marketing budget for the emerging markets is as follows:

	2010-11 (HK\$ million)	2011-12 Revised Estimate (HK\$ million) (vs. 2010-11)	2012-13 Proposed Budget (HK\$ million) (vs. 2011-12)
India	8.9	10.7 (+20.2%)	12.5 (+16.8%)
The Middle East	2.1	3.8 (+81.0%)	5.6 (+47.4%)
Russia	6.7	4.5 (-32.8%)	6.5 (+44.4%)
Vietnam	-	2.3 (n/a)	3.5 (+52.2%)
The Netherlands	-	1.6 (n/a)	2.8 (+75.0%)
Total	17.7	22.9 (+29.4%)	30.9 (+34.9%)

The projected growth in visitor arrivals and tourism receipts from the emerging markets are as follows:

	2012 Projected Visitor Arrivals (Growth vs. 2011)		2012 Projected Overnight Visitor Spending (HK\$ million) (Growth vs. 2011)	
India	526 000	(+5.6%)	1,835	(+6.4%)
The Middle East	199 000	(+0.1%)	930	(-6.2%) ^{Note}
Russia	171 000	(+30.0%)	1,299	(+29.5%)
Vietnam	89 000	(+10.8%)	712	(+18.3%)
The Netherlands	109 000	(+1.1%)	470	(+2.0%)

Note: It is projected that the political instability and possible downward adjustment in oil prices may affect the sentiments of consumers in the Middle East and in turn the spending by its overnight visitors, hence leading to a drop in total projected spending.

Apart from the above performance indicators, the HKTB has set other indicators to measure the effectiveness of its promotion in different markets. These include publicity value generated by the promotion, as well as the number of travel trade representatives participating in travel trade shows and familiarisation tours.

Signature _____
Name in block letters Andrew HY WONG
Permanent Secretary for Commerce and
Economic Development
Post Title (Commerce, Industry and Tourism)
Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)114

Question Serial No.

2154

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 ten key promotional campaigns to be adopted by the Hong Kong Tourism board (HKTB) in the new financial year 2012-13, what is the amount of public money to be spent on and the number of visitors forecast for each campaign? (Please provide the information requested in table form.)

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Hong Kong Tourism Board (HKTB)'s large scale events, which feature a variety of tourism elements, not only help enrich visitors' experience, but also attract international media coverage and draw the global spotlight to Hong Kong, thereby publicising the tourism brand of Hong Kong in the long run. In addition, these large scale events serve as business platforms for the tourism and related sectors to develop or package their offers, products and itineraries during different times of the year. From experience, any large scale events need to be nurtured by long-term promotion and reputation building before it can effectively raise awareness among visitors and attract their participation.

In 2012-13, the HKTB will roll out ten major campaigns throughout the year featuring a diverse portfolio of events. The estimated expenditure and projected patronage of these 10 campaigns are as follows:

Campaign (Tentative Dates)	Estimated Expenditure^{Note 1} (HK\$ million)	Projected Number of Participants^{Note 2}
Hong Kong Cultural Celebrations (13 to 29 April)	3.7	This campaign encourages visitors to experience our festive culture in different districts. As activities will span across different locations, it is difficult to project the number of participants.

Campaign (Tentative Dates)	Estimated Expenditure ^{Note 1} (HK\$ million)	Projected Number of Participants ^{Note 2}
Hong Kong Summer Spectacular (22 June to 31 August) (including the Hong Kong Dragon Boat Carnival – Hong Kong International Dragon Boat Races and the 8 th Club Crew World Championships)	21.7	The six-day Hong Kong Dragon Boat Carnival to be held in East Tsim Sha Tsui is expected to draw about 230 000 participants. Based on previous statistics collected on-site by the HKTB, it is projected that around 20% to 25% will be tourists. For the overall campaign period, as activities will span across different locations, it is difficult to project the number of participants.
Hong Kong Mid-Autumn Festival (27 September to 2 October) (including the Lantern Wonderland)	3.6	The six-day Lantern Wonderland to be held in Victoria Park is expected to draw some 400 000 participants. Based on previous statistics collected on-site by the HKTB, it is projected that around 10% will be tourists. For the overall campaign period, as activities will span across different locations, it is difficult to project the number of participants.
Hong Kong Halloween Treats (15 September to 31 October)	2.1	This campaign encourages visitors to take part in activities in different districts. As activities will span across different locations, it is difficult to project the number of participants.
Hong Kong Wine and Dine Month (1 to 30 November) (including the Hong Kong Wine and Dine Festival)	8.7	The four-day Hong Kong Wine and Dine Festival to be held in West Kowloon Waterfront Promenade is expected to draw about 170 000 participants. Based on previous statistics collected on-site by the HKTB, it is projected that over 10% will be tourists. For the overall campaign period, as activities will span across different locations, it is difficult to project the number of participants.

Campaign (Tentative Dates)	Estimated Expenditure ^{Note 1} (HK\$ million)	Projected Number of Participants ^{Note 2}
Great Outdoors Hong Kong (mid-November to mid-December)	2.0	This campaign encourages visitors to take part in activities in different districts. As activities will span across different locations, it is difficult to project the number of participants.
Hong Kong WinterFest (23 November to 1 January) (including the New Year Countdown Celebrations)	19.3	The New Year Countdown Celebrations is expected to draw about 400 000 participants. As spectators will be scattered on both sides of the Victoria Harbour waterfront, it is difficult to estimate the tourist-spectator ratio. For the overall campaign period, as activities will span across different locations, it is difficult to project the number of participants.
Hong Kong Chinese New Year Celebrations (4 to 24 February 2013) (including the International Chinese New Year Night Parade)	16.0	The International Chinese New Year Parade to be held in Tsim Sha Tsui is expected to draw around 100 000 to 120 000 participants. Based on previous statistics collected on-site by the HKTB, it is projected that around 50% to 55% will be tourists. For the overall campaign period, as activities will span across different locations, it is difficult to project the number of participants.
Sports (February to April)	28.6	It is difficult to project the number of participants for promotional events and activities organised by other organisations.
Arts and Entertainment (February to May)		
Third-party events: To promote activities staged by different organisations; and to launch promotion targeting different visitor segments to complement the above campaigns, e.g. to launch promotional activities targeting the family segment for the Hong Kong Summer Spectacular campaign period.		
Total	105.7	

Note 1: The amount is earmarked by the HKTB out of its total marketing budget in 2012-13 for organising and promoting the campaigns.

Note 2: As details of the large scale events, including their key elements, format and duration, are yet to be finalised, the participant numbers are only preliminary projections.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)115

Question Serial No.

2155

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 :

According to its forecast, how many new sponsors will the Hong Kong Tourism Board (HKTB) "solicit", from what sectors will it recruit co-operative partners, and what is the amount of sponsorship it will obtain in taking forward the initiative of "a year-round event calendar"?

Are there policies to prevent a recurrence of the withdrawal of sponsorship similar to that in the recent New Year Fireworks Display which resorted to subvention by public money?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Hong Kong Tourism Board (HKTB) is actively seeking sponsorships from different channels for financing part of the expenses of its large scale events in 2012-13. Immediately following the staging of various large scale events last year, the HKTB had already started to discuss continued sponsorship with the relevant sponsoring organisations. In fact, the sponsors of the International Chinese New Year Night Parade and the Hong Kong Mid-Autumn Festival have already agreed in principle to provide sponsorship for the respective events for three consecutive years starting from 2012. Sponsorship for the Hong Kong Dragon Boat Carnival has also been secured. These sponsoring organisations are all related to the tourism and catering sectors. The exact amount of sponsorship will be subject to further discussion between the HKTB and the respective organisations.

In addition, the HKTB placed advertisements in major local newspapers in January 2012 to invite sponsorship from commercial organisations. The HKTB aims to obtain a total of \$56.2 million in commercial sponsorship this year, which is 25% more than in 2011-12.

Apart from maintaining an established mechanism for seeking sponsorship, the HKTB has put in place contingency measures in case it is unable to secure sponsorship for a large scale event. The HKTB normally begins promotion of a large scale event in visitor source markets two to three months prior to the actual staging of the event. This means that sponsorship needs to be secured at least two months in advance of the promotion. Where sponsorship of venue is required, the lead time will be six months in advance of the promotion. In the event that the HKTB is unable to secure sponsorship for a large scale event before the launch of market promotion, the HKTB will consult the Board and its Product and Event Committee whether to proceed with the staging of the event and related promotion, and examine the possibility of redeploying internal resources for financing the event.

Signature	_____
Name in block letters	<u>Andrew HY WONG</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)</u>
Date	<u>29.2.2012</u>

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

Reply Serial No.

CEDB(CIT)116

Question Serial No.

2156

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 contents and features to be incorporated in the DiscoverHongKong.com website in the new financial year (2012-13) so as to enhance brand awareness among tourists?

What does the above brand awareness refer to? What is the amount of cost involved for strengthening digital marketing and publicity initiatives?

Which overseas TV networks will we partner with to produce programmes? Could the relevant programmes be cited? Could the titles of the relevant programmes and the estimated expenditure of each programme be cited?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2012-13, the Hong Kong Tourism Board (HKTB) will launch a newly designed DiscoverHongKong.com website to showcase the tourism appeal of Hong Kong and disseminate the latest travel information on Hong Kong, such as information on mega events. The website will take on the theme "Asia's World City", with new design and interface, as well as enhanced architecture, so that users can access information even more efficiently. In addition, the HKTB will work closely with online sharing sites to include more user-generated content, including photos, videos and articles on Hong Kong, as well as sharing functions of social media platforms such as Facebook and Twitter. New interactive functions will also be added, such as maps using the positioning system to provide visitors with information on points of interest in their proximity and user-friendly itinerary planner.

The HKTB has earmarked \$25.2 million for digital marketing promotions in 2012-13. The amount already includes the costs for launching the newly designed website.

In addition, the HKTB will produce and distribute video news releases of the HKTB's mega events, such as the Dragon Boat Carnival and the Wine and Dine Festival, as well as unique local festivities in Hong Kong to news channels of TV networks worldwide. Furthermore, the HKTB will invite popular international and regional TV channels, such as CNN, Discovery Channel, National Geographic, CNBC, BBC World and Travel Channel, to cover the diverse tourism offerings and mega events of Hong Kong. The HKTB will also pitch international production companies to film their food and lifestyle programmes in Hong Kong. Currently, the HKTB is liaising with a number of TV channels on possible co-operative initiatives for their programmes including "爽食行天下" of Zhejiang Satellite TV and "Dream Team" of KBS.

In 2012-13, the HKTB has earmarked \$32.8 million for implementing its global public relations initiatives, including the expenditure on co-operation with international and regional TV networks. Details of the partnerships and expenditure to be incurred can only be finalised by the HKTB after discussion with individual networks.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)117

Question Serial No.

2157

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 promote itinerary development and attract ship calls through co-operative promotions with cruise lines in the new financial year (2012-13)?

What is the estimated expenditure in this area?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2012-13, the Hong Kong Tourism Board (HKTB) will step up promotion of cruise tourism in order to drive further development of Hong Kong's cruise business and reinforce the city's position as a cruise hub in Asia, as well as paving the way for the commissioning of the new cruise terminal at Kai Tak in mid-2013. The HKTB will encourage cruise companies to develop new itineraries featuring Hong Kong and work closely with cruise companies to drive market demand through joint promotion. Major initiatives are as follows:

- To strengthen strategic partnerships with cruise companies and launch a new promotion fund to support advertising and promotion, in order to encourage cruise liners to berth in Hong Kong or even make Hong Kong their home port.
- To further stimulate the cruise demand among consumers in southern part of Mainland China by organising consumer activities with cruise companies. For instance, organise cruise promotion and education activities targeting retirees and families which are two high-potential cruise visitor segments; launch a new consumer website to introduce the cruise products of Hong Kong and enrich the Cruise South China website.
- To invite cruise itinerary planners, as well as ports in Guangdong, Hainan, Guangxi, Shanghai, Tianjin, Vietnam, Japan and Korea, to attend fora where they can get together and discuss the planning of regional itineraries; and encourage cruise companies to choose Hong Kong as one of the stops in their itineraries.

- To conduct market studies in collaboration with cruise companies and partnering ports on possible new cruise products, so as to find out the tastes and preferences of different visitor segments and markets and devise effective promotion strategies for the new products.
- To develop new shore excursion programmes featuring Hong Kong's mega events and other programmes in partnership with cruise companies and shore excursion operators, so as to increase visitors' spending onshore; and upgrade hospitality programmes for cruise visitors to enrich their experience in Hong Kong.

The HKTB's budget for cruise promotion in 2012-13 is estimated at \$15.5 million.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)118

Question Serial No.

2158

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 will be the contents of the revamped PartnerNet and how can the website provide a business-building platform for trade partners?

Will the website take into consideration the promotion needs and affordability of small and medium travel agents?

What will be the amount of funding allocated for revamping the website in the new financial year?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Hong Kong Tourism Board (HKTB) plans to launch a new PartnerNet website in 2012-13, and will, in phases, roll out different versions with different languages to suit different market needs. The website offers a communications and business platform for the local and overseas travel trade. In addition to the existing contents and capabilities, the new website will incorporate the following new features and functions:

Communications Platform for the Trade:

- The travel trade in both Hong Kong and overseas, as well as non-trade partners, can make instant registration through the website. They can obtain information about Hong Kong's tourism development, such as by downloading the latest tourism statistics and HKTB's promotional brochures, as well as accessing the photo library on the website. They can also enroll online with the trade activities organised by the HKTB, including travel missions.
- In addition, the PartnerNet will feature additional interactive functions, such as itinerary planner as well as multi-media content, such as videos, for the trade's reference.

Business Platform for the Trade:

- The PartnerNet website will allow registered users to manage their own profile, such as posting their business information and attractive offers for other users' browsing. Through the interactive functions, users can search for products and identify suitable co-operative partners for developing new products.
- The new website will also feature an interactive business-to-business e-marketplace at a later stage to facilitate business-building between the local and overseas travel trade. The e-marketplace will provide automated matching of services and requirements between the local and overseas trade partners, so as to enable them to identify suitable business partners and business opportunities.

The PartnerNet is a platform dedicated for the travel trade. Travel agencies of large, medium or small scale are welcome to register as users and make use of the interactive functions of the website for free.

In 2012-13, the HKTb has earmarked \$3.16 million for the PartnerNet project.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)119

Question Serial No.

3132

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 tackling of unfair trade practices, would the Administration advise on the following:

- a) In the past 3 years, how many cases and complaints did the Consumer Council and the Police receive in relation to unfair trade practices each year? Among these cases, how many were eventually prosecuted and how many were convicted?
- b) What is the present progress of the legislative exercise in relation to tackling unfair trade practices?
- c) In 2012-13, what plans and measures will be implemented to tackle unfair trade practices? What are the manpower and the estimated expenditure involved?

Asked by : Hon. WONG Kwok-hing

Reply :

- (a) The Trade Descriptions Ordinance and the Weights and Measures Ordinance contain express provisions prohibiting the unfair trade practices of false trade descriptions and inaccurate weights and measures respectively. The Customs and Excise Department is responsible for enforcing the two Ordinances. Relevant complaint and case statistics are set out in the following table:

		2009	2010	2011
Trade Descriptions Ordinance (false trade descriptions)	complaints	412 (March to December) ^{Note}	542	471
	prosecution	10	66	97
	conviction	7	65	55
Weights and Measures Ordinance	complaints	1 152	1 000	991
	prosecution	176	156	138
	conviction	176	156	138

Note The Trade Descriptions Ordinance was amended in 2008 with new provisions added to prohibit several specific forms of false trade descriptions (e.g. false or misleading price indications). The amendments took effect in March 2009. For meaningful comparisons, the above table sets out enforcement statistics after the commencement of the amendments.

The Consumer Council received 4 195, 3 943 and 3 685 complaints related to unfair trade practices (excluding those related to the Lehman Brothers incident) in 2009, 2010 and 2011 respectively. The Council acts as a mediator who seeks to resolve disputes between consumers and traders. The police does not keep statistics on unfair trade practices.

- (b) The Government is committed to tackling unfair trade practices with a view to protecting consumer interests and ensuring a level playing field for business. Last year, we issued a consultation report in respect of the public consultation we conducted in 2010 and briefed the Panel on Economic Development of this Council on the consultation outcome and way forward. The Trade Descriptions (Unfair Trade Practices) (Amendment) Bill 2012 was gazetted on 24 February 2012 and was introduced into the Legislative Council for first and second reading on 29 February 2012. We will work closely with the Council with a view to completing the scrutiny of the Bill as soon as possible.
- (c) In 2012-13, we will continue with the work to amend the Trade Descriptions Ordinance to prohibit commonly seen unfair trade practices. The head-count and salaries of officers involved in the exercise 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 Andrew HY WONG
Permanent Secretary for Commerce and
Economic Development
Post Title (Commerce, Industry and Tourism)
Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)120

Question Serial No.

0798

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 development of the Kai Tak new cruise terminal mentioned in the Budget Speech, will the Administration inform the Committee of the following:

- (a) What were the expenditure and manpower involved for the development in 2011?
- (b) What are the estimated expenditure and manpower involved for the development in 2012-13? Has the Administration estimated the amount of revenue that the development will generate for Hong Kong's tourist industry after its completion? If yes, what are the details? If not, what are the reasons?
- (c) The Administration also announced in the Budget Speech that it would update the hardware infrastructure of the border crossings to provide speedier and more convenient clearance services for tourists. What are the details? What is the schedule of implementation? What are the expenditure and manpower involved?

Asked by : Hon. WONG Kwok-kin

Reply :

- (a) In 2011-12, the revised estimate of expenditure of Kai Tak cruise terminal site formation works and cruise terminal building and ancillary facilities works was about \$2.01 billion in total. The manpower involved in the two works projects is about 266 500 man-days in total.
- (b) In 2012-13, the estimated expenditure of cruise terminal site formation works and cruise terminal building and ancillary facilities works is about \$2.17 billion in total. The manpower involved in the two works projects is estimated to be 390 000 man-days in total. The new cruise terminal will bring substantial benefits to industries including tourism, retail, hotel, catering, etc. It is estimated that the economic benefits to be brought by the cruise industry will range from \$1.5 billion to \$2.6 billion per annum by 2023.

- (c) To boost the handling capacity of the existing boundary control points, we have commenced improvement works at Man Kam To Control Point (MKTCP) since January 2011 which are expected to be completed in 2012. Besides, the improvement works at Lok Ma Chau Control Point (LMCCP) started in November 2011 and are expected to be completed in 2013. The total costs of the MKTCP and LMCCP project are \$16 million and \$19 million respectively. Immigration Department will put in place additional e-Channels in these two control points to provide speedier clearance services for the tourists upon completion of the two projects. The number of e-Channels will be increased from 29 to 61.

Moreover, a new arrival Red and Green Channel will be set up in LMCCP and Customs and Excise Department will create 26 posts in 2012-13 to enhance the clearance services.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)121

Question Serial No.

2366

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 :

Under this programme, one of the matters requiring special attention is to “enhance efforts in promoting co-operation between Hong Kong and Taiwan on trade, investment and tourism matters”. Would the Administration :

- (a) provide detailed data on trade, investment and tourism between Hong Kong and Taiwan at present;
- (b) advise on the efforts made in this respect and the effectiveness as well as the expenditure involved for the past year, and on its plans as well as the estimates and manpower involved for the coming year; and
- (c) advise whether it has explored the necessary arrangements in view of the indication that Taiwan has all along hoped that Hong Kong will grant Taiwanese passport holders visa-free access to enhance travel between the two regions; if yes, what is the present progress?

Asked by : Hon. WONG Kwok-kin

Reply :

- (a) The major data on trade, investment and tourism between Hong Kong and Taiwan at present are as follows –
- Hong Kong and Taiwan have all along been each other's important trading partner. In 2011, Taiwan was Hong Kong's fourth largest trading partner (after the Mainland, the United States and Japan); our third largest market for domestic exports; 6th largest market for re-exports; and 4th largest source of imports
 - Reciprocally, Hong Kong was Taiwan's fourth largest trading partner (after the Mainland, Japan and the United States), second largest export market and 28th largest source of imports in 2010 according to statistics from Taiwan.

- The average annual growth rate in bilateral trade was 6% from 2007 to 2011. The bilateral trade decreased by 7% in 2009 due to the financial crisis, but rebounded by 27% in 2010. The bilateral trade further increased by 11% in 2011.
- As at end of 2010, Taiwan was the 12th major source of inward direct investment (IDI) into Hong Kong with an IDI stock of \$58.1 billion, and the 18th major destination of outward direct investment (ODI) from Hong Kong, with an ODI stock of \$18.5 billion.
- On tourism, Taiwan is Hong Kong's second largest source market. According to data from the Hong Kong Tourism Board (HKTB), total visitor arrivals from Taiwan in 2011 were close to 2.15 million, and the total tourism expenditure associated to inbound Taiwanese visitors was projected at \$5.432 billion. Among these, around 780 000 arrivals were overnight visitors with higher spending. Their per capita spending was estimated at \$5,813.

(b) The Hong Kong Special Administrative Region Government has been actively promoting co-operation with Taiwan in the areas of trade, investment and tourism. Relevant work in 2012-13 would include –

- On trade promotion, the Hong Kong Trade Development Council (HKTDC) Taipei Office will continue to promote Hong Kong's services industries. HKTDC will encourage Taiwan brands to co-operate with Hong Kong companies, and to leverage on Hong Kong's services platform to tap overseas and Mainland markets together. In 2012-13, HKTDC will continue to promote trade and business co-operation between Hong Kong and Taiwan by means of different programmes such as organising trade fairs, outbound missions, symposiums, seminars, roadshows and business matching activities, etc. The estimated budget of HKTDC for trade promotion in Taiwan in 2012-13 is about \$6 million, which is comparable to the estimated expenditure in 2011-12.
- On investment promotion, Invest Hong Kong (InvestHK) will continue to step up its promotional efforts in Taiwan, which include organising various programmes, to encourage and assist Taiwan companies to set up or expand their business in Hong Kong. In 2012-13, through its new investment promotion unit in the Hong Kong Economic, Trade and Cultural Office in Taiwan, InvestHK will reach out proactively to a wider spectrum of Taiwan companies and conduct investment promotion visits in different cities in Taiwan. InvestHK will also maintain close liaison with the Taiwan business community and representatives of Taiwan business associations in Hong Kong and provide them with the necessary support. The estimated budget of InvestHK for investment promotion in Taiwan in 2012-13 is about \$1.1 million, while the estimated expenditure in 2011-12 is about \$1 million.
- On tourism, Taiwan is Hong Kong's second largest source market. HKTB established an official office in Taipei in September 2011, which would further strengthen HKTB's presence and its promotion work in Taiwan, and deepen the exchanges and collaboration between the travel trade of the two places. In 2012-13, HKTB will continue its efforts in carrying out active promotion work in the Taiwan market. It will target at family and young visitor segments to attract more overnight vacation visitors to Hong Kong, and will step up its promotion work in the second-tier cities in Taiwan (such as Taichung and Kaohsiung). The estimated marketing budget of HKTB for Taiwan in 2012-13 is about \$11.7 million, while the estimated expenditure in 2011-12 is about \$11 million.

Moreover, the Government will continue to, through the platform of “Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council” and “Hong Kong – Taiwan Business Co-operation Committee” of Hong Kong, and the “Taiwan-Hong Kong Economic and Cultural Co-operation Council” and “Economic Co-operation Committee” of Taiwan, enhance multi-faceted and in-depth exchanges between Hong Kong and Taiwan and strengthen bilateral economic co-operation, with a view to promoting economic and trade development of the Mainland, Hong Kong and Taiwan.

(c) The HKSAR Government has implemented various immigration facilitation measures for Taiwan visitors in recent years, including –

- (i) Starting from 1 January 2009, the limit of stay for Taiwan visitors coming to Hong Kong on strength of Multiple Entry Permits or iPermits has increased from 14 days to 30 days. The restriction that only two iPermits could be applied for in every month has also been lifted; and
- (ii) Starting from 27 April 2009, Taiwan residents holding “Mainland Travel Permit for Taiwan Residents” (commonly known as “Tai Bao Zheng”) may enter Hong Kong as visitors and stay for 7 days without the need to apply for any endorsement. Starting from 1 September 2011, the limit of stay has been extended to 30 days.

Based on the principle of reciprocity, the HKSAR Government will further streamline the entry arrangements for Taiwan residents by allowing them to make prior entry registration on their own through the Internet free of charge. The HKSAR Government is currently working on the detailed arrangements, which will be announced in due course.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)122

Question Serial No.

1620

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 :

How much funding and manpower will be deployed by the Administration to strengthen efforts in promoting the business advantages of Hong Kong in the Mainland, Taiwan, Southeast Asia and key emerging markets worldwide? What is the respective amount of funding and manpower allocated for each place?

Asked by : Hon. WONG Ting-kwong

Reply :

In 2012-13, we will strengthen our investment promotion efforts in the Mainland, Taiwan, as well as the emerging markets, through Invest Hong Kong (InvestHK). The estimated expenditure of InvestHK for conducting investment promotion activities in the above-mentioned markets in 2012-13 is around \$9.9 million, with breakdown as follows -

Markets	Estimated expenditure in 2012-13 (HK\$ million)
Mainland	4.4
Taiwan	1.1
Southeast Asia	1.5
Emerging Markets	2.9

The above figures do not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

Signature _____

Name in block letters Andrew HY WONG

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

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)123

Question Serial No.

1623

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 :

As mentioned in the Matters Requiring Special Attention in 2012-13, the Administration 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. What are the specific measures and work involved in this regard? What is the amount of financial resources and manpower involved respectively?

Asked by : Hon. WONG Ting-kwong

Reply :

In 2012-13, the Commerce and Economic Development Bureau will continue to encourage and assist Hong Kong enterprises in upgrading and restructuring, relocating their operations and opening up new markets so as to adjust to changes in the Mainland's policy on processing trade through the following work:

- maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand the trade's concerns and views; and 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 relay to them the trade's views and to discuss with them the trade's proposed measures;
- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities such as symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade's understanding of the Mainland's new policies, legislation and business environment. TID's website includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland;

- organising promotional activities and trade fairs and organising delegations to visit the Mainland through the Hong Kong Trade Development Council (HKTDC), 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, management improvement, branding and market development, etc., and Mainland market information through the HKTDC and the Hong Kong Productivity Council, etc.; 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, business restructuring and relocation.

The Mainland authorities have responded positively to many proposals of the Hong Kong Special Administrative Region Government and the trade. Various facilitation and support measures were launched in the past few years, including the implementation of "restructuring without stopping production" and "consolidated tax return for multiple domestic sales". The Guangdong Province also organised a seminar in Hong Kong in December 2011 to introduce 30 related policy measures, with a view to further enhancing support for the restructuring and upgrading by enterprises and their tapping into the Mainland domestic market.

According to the figures provided by the Guangdong Provincial Government, there were about 11 000 enterprises engaged in processing trade (which are not legal persons) as at end 2011, of which 4 450 have successfully restructured into one of the three types of foreign-funded enterprises (about 90% of them are Hong Kong enterprises).

The manpower and expenditure of the above-mentioned work have been subsumed within the establishment and provision for this Bureau and relevant departments and organisations. It is difficult to quantify them separately.

To support Hong Kong enterprises, in particular SMEs, to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011-12 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland. We have consulted the trade earlier and are finalising the operation details of the fund. We plan to seek funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid 2012.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)124

Question Serial No.

1661

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 :

There is a public concern on how the Government promotes the development of new industries. Will the Administration redeploy resources and manpower to review and enhance the existing policies on new industries? If yes, what are the details? If no, what are the reasons?

Asked by : Hon. WONG Ting-kwong

Reply :

The Government is committed to providing an environment conducive to conducting businesses and rendering suitable assistance for the commercial and industrial sectors. From the macro point of view, Hong Kong's simple tax regime, low tax rate and excellent infrastructure, etc facilitate the development of the commercial and industrial sectors and maintain our competitiveness in the world.

Hong Kong's industries have transformed from low-cost and labour-intensive production into knowledge-based and high valued-added production activities. In keeping with this trend, innovation and technology would become the main driving force for the sustainable development of our economy, as well as the critical element in promoting upgrading and restructuring, and enhancing competitiveness of our industrial sector.

The Government has adopted multi-pronged measures, including implementing various funding schemes such as the CreateSmart Initiative, Design-Business Collaboration Scheme, Innovation and Technology Fund and Research and Development Cash Rebate Scheme, etc, to provide technical and funding support for the industry, so as to assist them to enhance their technology level and to meet with challenges in the highly competitive business environment. We also assist the industry in obtaining credit facilities through the Trade and Industry Department's SME Loan Guarantee Scheme.

Apart from the responsible Government departments, many relevant organisations, such as the Hong Kong Science and Technology Parks Corporation, Hong Kong Productivity Council as well as the five R&D Centres established by the Government, have various measures in place to support the sustainable development of the industrial sector through the provision of quality infrastructure and technical support .

We have maintained close liaison with the industry and would continue to review and refine our policies and support measures having regard to the demands of the industry, so as to better meet their needs and support the long-term development of the industrial sector. The expenditure and manpower of the work involved have been subsumed under the provisions and establishment of our bureau and relevant departments and organisations. It would be difficult to account for separately.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)125

Question Serial No.

2310

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 estimate for the Office increases by \$4.9 million (69%) due to the provision required for filling the position of Under Secretary and the creation of the position of Political Assistant. When will the recruitment exercise start? What is the estimated expenditure for this item?

Asked by : Hon. WONG Ting-kwong

Reply :

It has been the Government's position that if there are suitable candidates identified, the positions will be filled. In 2012-13, the salary provisions temporarily earmarked for the positions of Under Secretary and the Political Assistant are \$2.54 million and \$1.86 million respectively.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

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

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)126

Question Serial No.

2311

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 :

With respect to the implementation details of the five-year dedicated fund, will the Bureau communicate with stakeholders in the industry and listen to their views? Please provide a breakdown of the estimated annual expenditure. The figures should indicate if any amount is to be spent on consultancy service or promotion work as well, resulting in a reduction of the fund to be obtained by the business sector through application?

Asked by : Hon. WONG Ting-kwong

Reply :

To support Hong Kong enterprises, in particular the small and medium enterprises (SMEs), to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011-12 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland.

The fund would comprise two parts:

- (i) to provide funding support to individual Hong Kong companies to assist them in undertaking projects to develop brands, upgrade and restructure their business operations and promote sales in the Mainland market, so as to enhance their competitiveness and facilitate their business development in the Mainland market; and
- (ii) to provide funding support to non-profit-distributing organisations for them to undertake large-scale projects which aim to assist Hong Kong enterprises in general or in specific sectors to develop brands, upgrade and restructure business operations and promote sales in the Mainland market, so as to enhance their competitiveness in the Mainland market.

We have consulted the trade earlier and are finalising the operation details of the fund. We plan to seek funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid 2012. The amount of estimated annual expenditure would depend on a basket of factors, including the number of applications to be received from companies and organisations and the amounts involved, the publicity and promotion activities to be held and other necessary administrative costs, etc. We are working out the relevant estimates and would include them in our submission to the Finance Committee of the Legislative Council.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)127

Question Serial No.

2312

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 Government review the dedicated fund to assess its effectiveness? If the outcome proves to be positive, will the fund be sustained on an ongoing basis?

Asked by : Hon. WONG Ting-kwong

Reply :

To support Hong Kong enterprises, in particular the small and medium enterprises (SMEs), to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011-12 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland.

The fund would comprise two parts:

- (i) to provide funding support to individual Hong Kong companies to assist them in undertaking projects to develop brands, upgrade and restructure their business operations and promote sales in the Mainland market, so as to enhance their competitiveness and facilitate their business development in the Mainland market; and
- (ii) to provide funding support to non-profit-distributing organisations for them to undertake large-scale projects which aim to assist Hong Kong enterprises in general or in specific sectors to develop brands, upgrade and restructure business operations and promote sales in the Mainland market, so as to enhance their competitiveness in the Mainland market.

We have consulted the trade earlier and are finalising the operation details of the fund. We plan to seek funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid 2012. We will review the use and effectiveness of the fund in due course after the launch of the fund.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)128

Question Serial No.

2313

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 :

With regard to promoting co-operation between Hong Kong and Taiwan on trade, investment and tourism matters, what are the specific work plans? What is the percentage of expenditure involved? Has it increased in comparison with that in the past?

Asked by : Hon. WONG Ting-kwong

Reply :

The Hong Kong Special Administrative Region Government will continue to actively promote co-operation with Taiwan in the areas of trade, investment and tourism. Relevant work would include –

- On trade promotion, the Hong Kong Trade Development Council (HKTDC) Taipei Office will continue to promote Hong Kong's services industries. HKTDC will encourage Taiwan brands to co-operate with Hong Kong companies, and to leverage on Hong Kong's services platform to tap overseas and Mainland markets together. In 2012-13, HKTDC will continue to promote trade and business co-operation between Hong Kong and Taiwan by means of different programmes such as organising trade fairs, outbound missions, symposiums, seminars, roadshows and business matching activities, etc. The estimated budget of HKTDC for trade promotion in Taiwan in 2012-13 is about \$6 million, which is comparable to the estimated expenditure in 2011-12.
- On investment promotion, Invest Hong Kong (InvestHK) will continue to step up its promotional efforts in Taiwan, which include organising various programmes, to encourage and assist Taiwan companies to set up or expand their business in Hong Kong. In 2012-13, through its new investment promotion unit in the Hong Kong Economic, Trade and Cultural Office in Taiwan, InvestHK will reach out proactively to a wide spectrum of Taiwan companies and conduct investment promotion visits in different cities in Taiwan. InvestHK will also maintain close liaison with the Taiwan business community and representatives of Taiwan business associations in Hong Kong and provide them with the necessary support. The estimated budget of InvestHK for investment promotion in Taiwan in 2012-13 is about \$1.1 million, while the estimated expenditure in 2011-12 is about \$1 million.

- On tourism, Taiwan is Hong Kong's second largest source market. The Hong Kong Tourism Board (HKTB) established an official office in Taipei in September 2011, which would further strengthen HKTB's presence and its promotion work in Taiwan, and deepen the exchanges and collaboration between the travel trade of the two places. In 2012-13, HKTB will continue its efforts in carrying out active promotion work in the Taiwan market. It will target at family and young visitor segments to attract more overnight vacation visitors to Hong Kong, and will step up its promotion work in the second-tier cities in Taiwan (such as Taichung and Kaohsiung). The estimated marketing budget of HKTB for Taiwan in 2012-13 is about \$11.7 million, while the estimated expenditure in 2011-12 is about \$11 million.

Moreover, the Government will continue to, through the platform of "Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council" and "Hong Kong – Taiwan Business Co-operation Committee" of Hong Kong, and the "Taiwan-Hong Kong Economic and Cultural Co-operation Council" and "Economic Co-operation Committee" of Taiwan, enhance multi-faceted and in-depth exchanges between Hong Kong and Taiwan and strengthen bilateral economic co-operation, with a view to promoting economic and trade development of the Mainland, Hong Kong and Taiwan.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)129

Question Serial No.

2314

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 :

At present, if Chinese product companies or other trading companies would like to set up branch offices in Taiwan, what difficulties will they encounter in respect of policies? How will the Administration render assistance and what resources will be provided to them in order to promote the economic and trade development of the Mainland, Taiwan and Hong Kong?

Asked by : Hon. WONG Ting-kwong

Reply :

Being Members of the World Trade Organization (WTO), both Hong Kong, China and Chinese Taipei have to conduct their trade and implement trade policies according to WTO principles and rules. Under the WTO General Agreement on Trade in Services (GATS), Members are required to make, and to abide by, specific commitments to liberalise designated sectors. In respect of the supply of services through "Commercial Presence" (i.e. provision of service by a service provider of a Member through the setting up of a business in the area of another Member), many service sectors of Chinese Taipei have not yet been fully liberalised. In other words, the service providers of other WTO Members (including Hong Kong, China) still face restrictions in sectors not fully liberalised.

The Hong Kong Special Administrative Region Government has maintained close liaison with the trade. So far we have not received any report from Hong Kong companies that they encounter unfair treatment in setting up branch offices in Taiwan. The Government will continue to closely monitor changes in trade and investment laws and regulations of our trading partners, including Taiwan, promptly give information and advice to the trade, and ensure that Hong Kong service providers enjoy the market access and fair treatment secured by WTO and bilateral trade agreements.

On trade promotion, the Hong Kong Trade Development Council (HKTDC) Taipei Office will continue to promote Hong Kong's service industries. HKTDC will encourage Taiwan brands to co-operate with Hong Kong companies, and to leverage on Hong Kong's services platform to tap overseas and Mainland markets together. In 2012-13, HKTDC will continue to promote co-operation and explore co-operation opportunities in the area of trade between Hong Kong and Taiwan by means of different programmes such as organising trade fairs, outbound missions, symposiums, seminars, roadshows and business matching activities, etc. HKTDC will also encourage Pearl River Delta-based Taiwan manufacturers to expand business through the Hong Kong services platform, and utilise Hong Kong as their operations and logistics centre.

Moreover, the Government will continue to, through the platform of "Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council" and "Hong Kong – Taiwan Business Co-operation Committee" of Hong Kong, and the "Taiwan-Hong Kong Economic and Cultural Co-operation Council" and "Economic Co-operation Committee" of Taiwan, enhance economic and trade co-operation and promote multi-faceted and in-depth exchanges between Hong Kong and Taiwan, with a view to promoting the economic and trade development of the Mainland, Hong Kong and Taiwan.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)130

Question Serial No.

2488

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 :

What will the Hong Kong Trade Development Council (HKTDC) do to promote the services of Hong Kong in Taiwan and how will the promotions be expanded? Please advise on the details of the plan and the expenditure involved.

Asked by : Hon. WONG Ting-kwong

Reply :

Since its establishment in April 2010, the Hong Kong-Taiwan Business Co-operation Committee has been serving as a platform for high-level business leaders from both Hong Kong and Taiwan to have regular dialogues. The cross-strait economic activities have been more frequent after the signing of the Economic Co-operation Framework Agreement in September of the same year. This has opened up a lot of new opportunities for Hong Kong's business support services sector, including the logistics and supply chain management, arbitration, legal, accounting, financing, intellectual property protection etc..

The Taiwan Office of the Hong Kong Trade Development Council (TDC) will continue to promote Hong Kong's services industry and encourage the Taiwan business sector to make good use of Hong Kong's services platform to enter the Mainland market. The budget for TDC's trade promotional work in Taiwan is estimated to be about \$ 6 million in 2012-13. Major activities include the following -

1. to organise a business luncheon and forum during the plenary meetings of the Hong Kong – Taiwan Business Co-operation Committee to explore opportunities in the areas of trade and investment;

2. to organise two-way cross-sectoral or sector-specific missions, supplemented by business matching services;
3. to host a series of service seminars in various cities of Taiwan to promote the advantages of Hong Kong's services industry and forge the formation of strategic alliances between Hong Kong service companies and their Taiwan counterparts to jointly develop the Mainland market;
4. to encourage the Taiwan business sector to participate in TDC's mega trade activities, including the Asian Financial Forum, the Hong Kong International Film & TV Market, the InnoTech Design Expo, the Hong Kong International Licensing Show, the Asian Logistics and Maritime Conference and the Business of IP Asia Forum; and
5. to further encourage the small and medium enterprises in Taiwan to use the other services in Hong Kong besides financial services.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)131

Question Serial No.

2489

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 the past year, how did the Hong Kong Trade Development Council (HKTDC) help Hong Kong companies leverage on the opportunities arising from the post-quake reconstruction of Japan and what will HKTDC do in future in this regard? What were/will be the specific action plans and the expenditure involved/to be incurred? What are the expected benefits to be brought to Hong Kong and Japan?

Asked by : Hon. WONG Ting-kwong

Reply :

After the earthquake in Japan, the Hong Kong Trade Development Council (TDC) and Hong Kong - Japan Business Co-operation Committee co-organised a high level business delegation to Japan in July 2011 to better understand the latest situation after the disaster. A Hong Kong-Japan Economic Summit was also held in September 2011 to brief the Hong Kong business community about the economic situation in Japan and to enable businesses on both sides to explore new opportunities.

In response to the latest development in Japan, the TDC has developed 7 strategies to help Hong Kong companies capitalise on business opportunities arising from Japan's reconstruction in the aftermath of the earthquake. As part of the strategies, TDC organised more Japanese buyers' missions to visit trade fairs in Hong Kong as well as Hong Kong business delegations to visit Japan etc., covering sectors such as garments, fashion accessories, medical equipments, gifts, houseware, toys, pet supplies, food, electronics and environmental protection products industries. Details of TDC's strategies are as follows:-

1. to encourage Japanese companies to relocate their manufacturing bases to the Mainland and set up regional headquarters in Hong Kong;
2. to provide customised business matching service to encourage Japanese enterprises to source from Hong Kong suppliers, with a view to targeting at Japan's huge demand for relief-related items for its reconstruction programme;

3. to encourage Japanese enterprises to expand business to the Mainland and Asia via Hong Kong, so as to minimise the adverse effects brought about by the shrinking domestic market in Japan;
4. to encourage Japan's technology owners to export their technology and intellectual properties to the Mainland and other Asian countries, since they are now more willing to transfer their technologies overseas;
5. to encourage more Japanese enterprises to make use of Hong Kong's fund raising capabilities;
6. to organise mega promotional activities in Japan to promote Hong Kong as an ideal platform for Japanese exporters to access the Mainland and Asian markets; and
7. to strengthen the cooperation with regional governments and associations in Japan to promote the edge of the Hong Kong business platform to Japanese small and medium enterprises.

These activities have successfully helped Hong Kong companies to discuss business deals with over 1 000 Japanese buyers. The number of Japanese buyers attending TDC trade fairs in 2011 has also increased by 2% as compared with the previous year.

The total budget for Japan's reconstruction-related programmes in 2012-13 is about \$45 million. Major activities in the programme include the following :-

- TDC will stage a signature campaign in Tokyo and Osaka to raise Hong Kong's profile in Japan and showcase the advantages of the Hong Kong business platform in May 2012. TDC will also organise a series of roadshows, targeting at Japan's SMEs to promote the advantages of partnership with Hong Kong companies.
- TDC will continue to expand the Japan Pavilions in its trade fairs such as Eco Expo Asia, Hong Kong International Jewellery Show, Hong Kong Fashion Week, Hong Kong Optical Fair and Hong Kong Gifts & Premium Fair. Japan will also be the partner country for the Food Expo this year.
- TDC plans to promote Hong Kong to Japan's business community as a platform for fund-raising and technology transfer through various programmes such as Asian Financial Forum and Business of Intellectual Property Asia Forum. TDC is also planning a large-scale technology delegation to Japan to give Hong Kong companies a better understanding of the latest technological developments in Japan and to facilitate technology transfer co-operation between the two places.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	29.2.2012

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

Reply Serial No.

CEDB(CIT)132

Question Serial No.

2490

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 :

With the growing awareness of local residents and tourists regarding consumer rights, the workload of the Consumer Council will increase, and public demand for price surveillance, handling of complaints, testing of goods and relevant education etc. will also rise. Why is there not an increase in the estimated expenditure for 2012/13 over the revised expenditure for 2011/12? Will the work of the Consumer Council be affected as a result? If not, why not?

Asked by : Hon. WONG Ting-kwong

Reply :

The Consumer Council (the CC) has been serving the community with its best efforts to protect consumer rights. The CC will maintain its service quality and efficiency by deploying flexibly its resources, notwithstanding rising consumer awareness and service demands. We will examine with the CC how to handle any unforeseeable needs that may arise.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

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

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)133

Question Serial No.

1400

Head : 22 Agriculture, Fisheries and
Conservation Department

Subhead (No. & title) :

Programme : (2) Nature Conservation and Country Parks

Controlling Officer : Director of Agriculture, Fisheries and Conservation

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The expenditure on the management of the Hong Kong Wetland Park is not specified under this Programme. Please advise on the details of such expenditure in 2010-11 and 2011-12, including the expenses on administrative management, public education, marketing and promotion, and copyright royalty on comics and animation, and the details of the estimated expenditure on the management of the Hong Kong Wetland Park in 2012-13.

Asked by : Hon. Hon. EU Yuet-mee, Audrey

Reply :

The actual/revised estimated/estimated expenditure on the management of the Hong Kong Wetland Park from 2010-11 to 2012-13 is as follows:

Items	Amount		
	2010-11 Actual	2011-12 Revised Estimate	2012-13 Estimate
Administration (Staffing)	\$17.0 million	\$18.3 million	\$19.0 million
General operation	\$14.0 million	\$14.8 million	\$14.4 million
Public education	\$2.4 million	\$2.8 million	\$2.9 million
Marketing and promotion (including \$24,000 in 2010-11, \$8,500 in 2011-12 and \$15,000 in 2012-13 for copyright royalty on comics and animation)	\$4.5 million	\$5.0 million	\$5.0 million
Exhibition maintenance	\$3.1 million	\$3.3 million	\$3.1 million
Habitat management	\$3.0 million	\$3.1 million	\$3.1 million
Total	\$44.0 million	\$47.3 million	\$47.5 million

Signature _____

Name in block letters _____

Alan WONG

Post Title _____

Director of Agriculture, Fisheries and Conservation

Date _____

24.2.2012

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

Reply Serial No.

CEDB(CIT)134

Question Serial No.

0216

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 as well as staffing provision estimated for 2012-13 for preventing and combating illegal activities related to counterfeit wine? What were the respective figures for the targeted investigations and enforcement actions carried out each year by the dedicated investigation team responsible for such activities under the Intellectual Property Investigation Bureau of C&ED for the last three years (i.e., 2009-10 to 2011-12)? What was the effectiveness?

Asked by : Hon. CHEUNG Yu-yan, Tommy

Reply :

The Intellectual Property Investigation Bureau of Customs and Excise Department (C&ED) has established a dedicated investigation team since August 2008, consisting of 1 Senior Inspector, 1 Chief Customs Officer and 5 Customs Officers to tackle counterfeit wine in addition to other trade mark infringement activities. We will maintain the existing staffing provision in 2012-13.

C&ED has formed an alliance with the wine industry since October 2008 to strengthen co-operation in intelligence collection and monitoring of market activities. In May 2011, we set up a specialist team under the alliance to assist enforcement against counterfeit wine. C&ED has also established a liaison network with overseas and Mainland enforcement agencies for the purpose of enhancing its capability in intercepting suspected counterfeit wine and verifying wine authenticity.

From 2009-10 to 2011-12, we received a total of 10 wine-related reports. Enforcement action was not found necessary after investigation. We will remain vigilant and continue to monitor the operation of the wine market closely.

Signature _____

Name in block letters _____

Clement Cheung

Post Title _____

Commissioner of Customs and Excise

Date _____

22.2.2012

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

Reply Serial No.

CEDB(CIT)135

Question Serial No.

1114

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 :

Please advise the Committee on the detailed action plan to enhance the efficiency of customs clearance for facilitating cross-boundary cargo flow and the estimated expenditure for 2012-13. Last year, the authorities indicated that in order to further facilitate cross-boundary cargo flow, they would take proactive steps to assist the Mainland side in a feasibility study concerning the establishment of a third-party platform to enable the transportation sector to make electronic submissions in one go for ROCARS and the Mainland's system for receiving road cargo manifests. What is the progress of the study and what is the estimated time for its completion?

Asked by : Hon. LAU Kin-ye, Miriam

Reply :

The estimated expenditure under "Control and Enforcement" in 2012-13 is \$2,042 million. In order to streamline customs clearance thereby facilitating cross-boundary cargo flow, apart from making conscious efforts to fortify our risk management system and bring in hi-tech equipment for enhancing efficiency, the Customs and Excise Department (C&ED) has the following action plans :

- (a) endeavouring to ensure that the "Road Cargo System" (ROCARS) will operate smoothly and continue to effectively reduce the time required for customs clearance;
- (b) stepping up publicity for the "Intermodal Transshipment Facilitation Scheme" built on the framework of ROCARS, whereby cargoes are subject to inspection at either the entry or exit point, thereby enhancing operational efficiency, and discussing with the Mainland on possible co-operation that would help create synergy;
- (c) further extending the "Hong Kong/Guangdong mutual reference arrangements for cargo inspection" from Shenzhen to cover all inland control points in Guangdong Province. More cross-boundary cargoes will not be subject to repeated examinations; and
- (d) making preparations for the implementation of the "Hong Kong Authorised Economic Operator Programme" whereby qualified companies will benefit from facilitation measures such as priority clearance.

To facilitate the simultaneous transmission of cargo data to authorities in both Hong Kong and Guangdong, the two Customs have adopted the data model developed by the World Customs Organisation as the harmonised standard. The two sides are also exploring how to streamline declaration procedures. We are assessing the mode of operation on the ground since the full implementation of ROCARS including the actual needs of the industry, with a view to mapping out the route for further co-operation.

Signature	_____
Name in block letters	<u>Clement Cheung</u>
Post Title	<u>Commissioner of Customs and Excise</u>
Date	<u>29.2.2012</u>

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

Reply Serial No.

CEDB(CIT)136

Question Serial No.

2787

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 2012-13? What are the percentages increased/decreased when compared with the figures for the past two financial years? 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 (C&ED) has two "Anti-Internet Piracy" teams, each comprising 7 officers, specialised in tackling Internet and other computer crimes relating to the infringement of intellectual property rights. In 2012-13, the salary provision in the estimated expenditure is \$4.338 million which is the same as that in the revised estimate in 2011-12. Due to salary adjustments, the expenditure in 2011-12 represents a 6.5% increase when compared with 2010-11. In 2012-13, \$4 million will be deployed for setting up an "Electronic Crime Investigation Centre" in the interest of enhancing the capabilities of the Department in enforcement and handling digital evidence. The Department will also further strengthen liaison with the industries and overseas law enforcement agencies to combat infringement activities in unison more effectively.

Figures for 2010 and 2011 regarding the value of infringing articles that were put up for sale on Internet auction sites and seized by C&ED, the number of successful prosecutions and the penalties imposed are as follows:

Year	2010	2011
Value of infringing articles	\$945,391	\$589,038
Number of successful prosecutions	41 cases	40 cases
Penalties imposed by the Court	Fine : \$2,000-\$25,000 Community : 70-240 hours service order Imprisonment : 1-6 months (suspended for 1-2 years)	Fine : \$1,000-\$30,000 Community : 60-160 hours service order Imprisonment : 1-4 months (suspended for 1-3 years)

Signature _____

Name in block letters Clement Cheung

Post Title Commissioner of Customs and Excise

Date 29.2.2012

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

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 :

With regard to false trade descriptions and mis-statements in respect of selling of goods, will the authorities advise on:

- (a) How many enforcement operations did the authorities carry out in 2011-12? What were the main target trades or shops? What was the number of prosecuted cases as a result of the operations?
- (b) What are the implementation details of the policies and estimate of expenditure on this issue for 2012-13?
- (c) How will the authorities tackle false trade descriptions and mis-statements on Internet trading platforms?

Asked by : Hon. PAN Pey-chyou

Reply :

- (a) In 2011, Customs and Excise Department (C&ED) conducted a total of 4 064 inspections of retail shops under the Trade Descriptions Ordinance (the Ordinance), including shops selling jewels and gold ornaments (891 inspections), dried seafood and Chinese herbal medicines (689 inspections) and electronic goods (204 inspections), in order to ensure traders' compliance. In the same year, C&ED completed 618 investigations involving false trade descriptions, among which 55 cases resulted in prosecutions and convictions, with fines imposed ranging from \$600 to \$82,000. Five defendants were bound over to be of good behaviour by entering into their own recognizance by the Court for 12 to 18 months.
- (b) At present, the number of officers in C&ED responsible for tackling false trade descriptions and misrepresentation is 89 and the total salary provision concerned amounts to about \$36.25 million. In order to strictly enforce the Ordinance, C&ED will continue to proactively patrol retail shops in the territory; deploys extra resources to patrol renowned shopping and tourist areas during the long holidays of the Mainland, and conduct undercover operations by posing as customers where appropriate. In order to facilitate the report of malpractices by tourists, the C&ED's Quick Response Team, which is on call 24 hours, will be deployed to instantly deal with complaints. We will also strengthen training for front-line officers to enhance their enforcement skills and product knowledge, and

enhance cooperation with the Police, Consumer Council, Travel Industry Council, Tourism Commission, Tourism Board, and various trade associations, including mounting large-scale joint operations with the Police and other departments.

- (c) False trade descriptions and misrepresentations may occur in different sales channels, including Internet trading platforms. C&ED will monitor all types of illegal activities on the Internet using advanced tools for evidence collection and investigation, and initiate follow-up action and prosecution where appropriate.

Signature	_____
Name in block letters	<u>Clement Cheung</u>
Post Title	<u>Commissioner of Customs and Excise</u>
Date	<u>22.2.2012</u>

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

Reply Serial No.

CEDB(CIT)138

Question Serial No.

2215

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 'false trade descriptions and mis-statements in the sale of goods', will the C&ED allocate more resources and manpower to conduct spot checks in the market and take vigorous enforcement actions against such incidents? If yes, what will be the increase in expenditure and manpower? If no, what are the reasons?

Asked by : Hon. PAN Pey-chyou

Reply :

To combat illegal activities such as false trade descriptions and misleading price information effectively, the Customs and Excise Department (C&ED) has been conducting inspections against targeted products and shops upon intelligence collection and analysis of risks and market situations, and also conducts undercover operations by posing as customers where appropriate. The C&ED has also strengthened liaison with the Consumer Council with a view to grasping the latest situation more quickly and precisely. It also cooperates with different trade associations to educate tourists and the public on how to protect themselves against unfair trade practices. These arrangements are carried out through internal deployment of manpower and no extra expenditure is required.

Signature _____

Name in block letters _____

Clement Cheung

Post Title _____

Commissioner of Customs and Excise

Date _____

22.2.2012

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

Reply Serial No.

CEDB(CIT)139

Question Serial No.

0731

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 amounts of resources, including the expenditure and manpower involved, allocated by C&ED to tackle Internet and electronic crimes relating to infringement of intellectual property rights for 2011-12 and 2012-13 respectively? What are the specific measures to be taken by C&ED in 2012-13 to strengthen investigation of and action against these crimes? What are the details of these measures as well as the expenditure and manpower involved respectively?

Asked by : Hon. TAM Wai-ho, Samson

Reply :

The relevant expenditure figures are given below:

Year	2011-12 (revised estimate)	2012-13 (estimated expenditure)
Staffing expenditure	\$4.338 million	\$4.338 million
Other expenditure	\$1 million	\$5 million

The Customs and Excise Department (C&ED) has two "Anti-Internet Piracy" teams, each comprising 7 officers, specialised in tackling Internet and other computer crimes relating to the infringement of intellectual property rights. C&ED will continue to make use of advanced computer techniques, computer forensic and network investigation tools with a view to enhancing enforcement effectiveness. In 2012-13, a total of \$4 million will be deployed for setting up an "Electronic Crime Investigation Centre" in the interest of enhancing the capabilities of the Department in enforcement and handling digital evidence. The Department will also further strengthen liaison and co-operation with the industries and overseas law enforcement agencies to combat illicit activities infringing intellectual property rights.

Signature _____

Name in block letters _____

Clement Cheung

Post Title _____

Commissioner of Customs and Excise

Date _____

24.2.2012

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

Reply Serial No.

CEDB(CIT)141

Question Serial No.

2305

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 :

As technology develops, there is an increasing trend in Internet crimes. The authorities indicated that they would upgrade the capability in the investigation of Internet and electronic crimes relating to infringement of intellectual property rights. Which aspects will such upgrade include? Will there be any increase in manpower and training resources involved? What are the specific contents?

Asked by : Hon. WONG Ting-kwong

Reply :

The Customs and Excise Department (C&ED) has two "Anti-Internet Piracy" teams, each comprising 7 officers, specialised in tackling Internet and other computer crimes relating to the infringement of intellectual property rights. C&ED will continue to make use of advanced computer techniques, computer forensic and network investigation tools with a view to enhancing enforcement effectiveness. In 2012-13, a total of \$4 million will be deployed for setting up an "Electronic Crime Investigation Centre" in the interest of enhancing the capabilities of the Department in enforcement and handling digital evidence. The Department will also further strengthen liaison and co-operation with the industries and overseas law enforcement agencies to combat illicit activities infringing intellectual property rights.

Signature _____

Name in block letters _____ Clement Cheung

Post Title _____ Commissioner of Customs and Excise

Date _____ 24.2.2012

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

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 :

Recently there has been an upward trend in the number of consumer complaints lodged by Mainland visitors. The authorities indicate that enforcement operations will be stepped up against false trade descriptions and mis-statements in respect of selling of goods. Please give an account of the operations. Will the department increase enforcement manpower and enhance publicity? What is the expenditure incurred?

Asked by : Hon. WONG Ting-kwong

Reply :

In order to strictly enforce the Trade Descriptions Ordinance (the Ordinance), Customs and Excise Department (C&ED) will continue to proactively patrol retail shops in the territory; deploy extra resources to patrol renowned shopping and tourist areas during long holidays of the Mainland and conduct undercover operations by posing as customers where appropriate. In order to facilitate the report of malpractices by tourists, the C&ED's Quick Response Team, which is on call 24 hours, will be deployed to instantly deal with complaints. We will also strengthen training for front-line officers to enhance their enforcement skills and product knowledge, and enhance cooperation with the Police, Consumer Council, Travel Industry Council, Tourism Commission, Tourism Board, and various trade associations, including mounting large-scale joint operations with the Police and other departments.

For publicity and education, the Department distributes leaflets published in English and traditional / simplified Chinese characters to visitors at boundary control points to raise their awareness about unfair trade practices. At the same time, messages are conveyed via the Consumer Council's website and its monthly publication, the Choice Magazine, to encourage reports on activities in contravention of the Ordinance. Moreover, talks are organized for registered tourist guides to disseminate through them the messages of consumers' rights to tourists.

All the above operations are carried out through internal deployment of manpower and no extra expenditure is incurred.

Signature _____

Name in block letters _____ **Clement Cheung**

Post Title _____ **Commissioner of Customs and Excise**

Date _____ **22.2.2012**

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

Reply Serial No.

CEDB(CIT)143

Question Serial No.

1053

Head : 33 Civil Engineering and
Development Department

Subhead (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 :

In 2012-13, the Civil Engineering and Development Department will continue the site formation for Kai Tak cruise terminal development. Please inform this Committee about the progress of the works and the target of this year.

Asked by : Hon. LAU Kin-ye, Miriam

Reply :

The progress of the site formation works for Kai Tak cruise terminal development is generally satisfactory. All piling works have been completed, and seawall reconstruction and quay deck construction have commenced. Our target is to substantially complete the first berth in 2012-13 for commissioning together with the terminal building in mid-2013.

Signature	_____
Name in block letters	C K HON
Post Title	Director of Civil Engineering and Development
Date	28.2.2012

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

Reply Serial No.

CEDB(CIT)144

Question Serial No.

2200

Head : 33 Civil Engineering and
Development Department

Subhead (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 issue of the improvement works to promenades of the Aberdeen Harbour and Ap Lei Chau Main Street, will the Administration inform this Committee:

- (a) in 2011-12, what are the estimated expenditure and manpower involved in the above 2 improvement works? Has the Administration assessed the benefit brought by the project?
- (b) what are the estimated expenditure and the revenue involved in the above 2 improvement works in 2012-13?
- (c) apart from the 2 improvement works for tourism facilities, are there any tourism facilities on Hong Kong Island which have to carry out improvement works to enhance the appeal of tourism facilities on Hong Kong Island? If yes, what are the details and manpower involved? If not, what are the reasons?

Asked by : Hon. PAN Pey-chyou

Reply :

- (a) In 2011-12, the estimated expenditure on the Aberdeen Tourism Project, which comprises improvement works to promenades of Aberdeen Harbour as well as Ap Lei Chau Main Street, is \$31.3 million. The project is being managed by a consultant employed by the Civil Engineering and Development Department (CEDD). Upon completion of the improvement works, the overall attractiveness of the Aberdeen area will be enhanced with better facilities for visitors.
- (b) The estimated expenditure for the Aberdeen Tourism Project in 2012-13 is \$124.8 million.

- (c) Several tourism enhancement projects, including those in the Central and Western District, the Peak and Stanley Waterfront, have been completed in the past few years. CEDD is now working in full swing on the improvement works under the Aberdeen Tourism Project and there are no other planned tourism enhancement projects on the Hong Kong Island at the moment.

Signature	_____
Name in block letters	<u>C K HON</u>
Post Title	<u>Director of Civil Engineering and Development</u>
Date	<u>29.2.2012</u>

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

Reply Serial No.

CEDB(CIT)145

Question Serial No.

2514

Head : 33 Civil Engineering and
Development Department

Subhead (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 :

For the public landing facility in Lei Yue Mun and related marine works in the Lei Yue Mun area, will the Administration inform this Committee of the following:

- (a) The expenditure and manpower involved in the above works in 2011-12? Has the Administration set any timetable for completion of the project?
- (b) The estimated expenditure and revenue of the above works in 2012-13?
- (c) Apart from the above works, does the Government have any plan to carry out other improvement works for the tourism facilities in East Kowloon districts to enhance their attractiveness to visitors? If yes, what are the details, estimated expenditure and staffing involved? If not, what are the reasons?

Asked by : Hon. WONG Kwok-kin

Reply :

- (a) The proposed public landing facility for Lei Yue Mun is one of the facilities to be provided under the Tourism Commission's Lei Yue Mun Waterfront Enhancement Project, and the works in question would be carried out by the Civil Engineering and Development Department. The Department is working on the required statutory procedures for gazettal of the above works under the Foreshore and Seabed (Reclamations) Ordinance. Subject to the completion of the statutory procedures and funding approval by the Finance Committee, the works for the public landing facility are expected to commence earliest in end 2012 for completion in 2015. The above works are still at the planning stage, and hence no expenditure would be incurred in 2011-12. The staffing of the works has been subsumed into the establishment of this Department for 2011-12, and it is difficult to quantify the amount separately.

- (b) The estimated expenditure for the above works in 2012-13 is \$3.16 million, and no revenue is involved.
- (c) Apart from the public landing facility mentioned above, the Lei Yue Mun Waterfront Enhancement Project covers a series of other improvement works including the development of a waterfront promenade and the construction of a new viewing terrace, and other streetscape beautification works to be carried out by Architectural Services Department (ArchSD) geared to enhancing the tourism appeal of Lei Yue Mun. The above works are still at the planning stage, and hence no expenditure would be incurred in 2011-12. The staffing of the works for 2011-12 has been subsumed into the establishment of ArchSD, and it is difficult to quantify the amount separately. The estimated total cost for this part of works is around \$99.1 million, and the estimated expenditure in 2012-13 is \$3.2 million.

The Government has announced the plan to energise Kowloon East. In the further development of Kowloon East, the Tourism Commission will liaise with the tourism industry and take into account Legislative Councillors' views expressed in the motion debate on "Capitalizing on the opportunity presented by the building of a cruise terminal to develop Kowloon East into a business and tourism district" on 14 December 2011, to ensure that the relevant tourism initiatives would meet the needs and aspirations of our visitors. This will reinforce the part Kowloon East will play in the tourism development of Hong Kong. The Administration will seek funding for such initiatives as necessary.

Signature	_____
Name in block letters	<u>C K HON</u>
Post Title	<u>Director of Civil Engineering and Development</u>
Date	<u>1.3.2012</u>

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

Reply Serial No.

CEDB(CIT)146

Question Serial No.

0636

Head : 707 – New Towns and Urban Area
Development

Subhead (No. & title) : 7736CL - Site formation
for Kai Tak cruise
terminal development

Programme :

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The revised estimate of Site formation for Kai Tak cruise terminal development for 2011-12 is \$210,100,000 and the estimate of the project for 2012-13 is \$168,600,000. However, according to the original proposal approved by the Finance Committee – PWSC (2009-10) 67, the estimated expenditure on the project for 2011-12 and 2012-13 should be \$541,000,000 and \$560,300,000 respectively. What are the reasons for the substantial decrease in expenditure on the project for the two consecutive financial years? Will the completion date of the project be deferred? What enhanced measures will be adopted to expedite the project?

Asked by : Hon. SHEK Lai-him, Abraham

Reply :

The cash flow requirement for site formation works for Kai Tak cruise terminal development for 2011-12 and 2012-13 has been adjusted taking into account the lower-than-expected tender price and the contractor's latest works programme.

The progress of the cruise terminal site formation works is generally satisfactory. According to the current progress, the first berth of the terminal will be completed as scheduled for commissioning together with the terminal building in mid-2013.

Signature _____

Name in block letters _____

C K HON

Post Title _____

Director of Civil Engineering and Development

Date _____

27.2.2012

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

Reply Serial No.

CEDB(CIT)147

Question Serial No.

2769

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 :

The Intellectual Property Department indicates that during 2012-13 it will continue to meet the challenges associated with the increased filing of trademark applications in the provision of quality registration services to the public. Would the Administration inform this Committee of the current manpower and expenditure involved in processing trademark applications? Will the Department increase its staff establishment to cope with the rise in the number of trademark applications? If yes, what are the details and expenditure involved?

Asked by : Hon. LAM Tai-fai

Reply :

At present, 71 staff in our Trade Marks Registry are responsible for processing matters related to trademark applications. This involves an expenditure of about \$38.97 million, including personal emoluments, other personnel related expenses and related departmental expenses, etc.

To cope with the rise in the number of trademark applications, we will create 6 posts in 2012-13 to strengthen the Department's capacity in handling work related to trademark examination and hearings, including 1 Senior Solicitor, 2 Senior Intellectual Property Examiners, 1 Intellectual Property Examiner I and 2 Intellectual Property Examiners II. Calculated on the basis of notional annual mid-point salary, the additional expenditure in terms of personal emoluments is approximately \$3.91 million per annum.

Signature _____

Name in block letters _____

CHEUNG KAM-FAI, PETER

Post Title _____

Director of Intellectual Property

Date _____

28.2.2012

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

Reply Serial No.

CEDB(CIT)148

Question Serial No.

0001

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 has earmarked \$24.6 million for protection of intellectual property in 2012-13. As stated by the Department, small and medium enterprises remain one of the prime targets of its promotion and education efforts. Please advise in detail:

- (a) Through what seminars and exhibitions will it help these enterprises understand the importance of protecting their intellectual property rights and raise their awareness on innovation and intellectual property management, particularly on the kind of intellectual property solutions that they seek and the kind of intellectual property that might be available for sale in the target market?
- (b) What kind of promotion and education activities will be organised specially for small and medium enterprises to emphasise the prevention of intellectual property infringement?
- (c) What is the amount of resources to be injected to strengthen the out-reach effort to young people in promoting intellectual property protection?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

The Intellectual Property Department's estimated provision for publicity and educational programmes in 2012-13 is about \$9.9 million, of which about \$2 million has been earmarked for promotion and education efforts targeted at small and medium enterprises (SMEs):

- (a) To help SMEs understand the importance of measures that protect their intellectual property (IP) rights when pursuing innovation, and raise their awareness of the benefits brought by proper IP management, including how best to search for IP solutions and harness IP rights that might be available for sale in the target market, we will maintain close liaison with the local business sector (including SMEs, business associations and IP intermediaries). In the next financial year, we will continue to actively participate in major exhibitions and seminars for SMEs held in Hong Kong, such as the "World SME Expo", "Business of IP Asia Forum" and "Hong Kong International Licensing Show", and arrange colleagues to give talks on IP issues of particular interest to SMEs. We also plan to organise another seminar on "Intellectual Property and the Development of Small and Medium Enterprises" in Guangdong province to help Hong Kong enterprises in Guangdong better understand the IP system in the Mainland.

- (b) At the seminars and exhibitions mentioned in (a) above, the Department would also seek to put across messages related to the prevention of IP infringement. Furthermore, the Department will produce a publicity and educational video specially for SMEs, distribute related booklets at exhibitions and seminars, as well as update and enrich from time to time the reference materials provided on the Department's website for SMEs.
- (c) The Department has earmarked about \$1.7 million in 2012-13 for sustaining its efforts to foster a culture of respect for intellectual property among young people through school talks, interactive drama programme, seminars in tertiary institutions, exhibitions, the "IP Teen City" website as well as competitions rolled out in collaboration with other organisations.

Signature	_____
Name in block letters	<u>CHEUNG KAM-FAI, PETER</u>
Post Title	<u>Director of Intellectual Property</u>
Date	<u>28.2.2012</u>

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

Reply Serial No.

CEDB(CIT)149

Question Serial No.

2735

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 :

- (a) Under the indicators of this Programme, for processing the patent applications under the Patents Ordinance (Cap.514), it is expected to receive over 13 000 applications for standard patents in 2012, but less than half of the patent applications are expected to be granted. What are the reasons?
- (b) What are the procedure for and the average time taken in processing a standard patent application?
- (c) For those who have been granted standard patents or short-term patents, if their inventions or patents are being challenged or accused by others of infringing intellectual property rights, could they approach the Department for assistance and to what extent could the Department provide assistance? If no assistance will be given to those who have been granted patents, would the Administration consider strengthening its assistance in this regard to support patent rights?

Asked by : Hon. PAN Pey-chyou

Reply :

- (a) An application for a standard patent in Hong Kong is made in two stages. At Stage 1, the applicant is required to apply for patent registration at one of three designated patent offices, namely the State Intellectual Property Office of the People's Republic of China, the European Patent Office (for patents designating the United Kingdom) and the United Kingdom Patent Office. Within six months after the patent application has been published by the designated patent office, the applicant may file a "request to record" his application for a standard patent in Hong Kong. At Stage 2, after the grant of patent by the designated patent office (which usually takes a few years), the applicant may proceed to file a "request for registration and grant" in Hong Kong. If the documents and information provided by the applicant meet the registration requirements, the Hong Kong Patents Registry will grant the standard patent.

Due to the time gap that exists between the above two stages, there is no direct relationship between the number of applications received (as shown under the indicators of this Programme) and the number of standard patents granted in the same year. The number of applications at Stage 1 is usually larger than the number of patents ultimately granted at

Stage 2. This is mainly because some applicants did not file a request for registration and grant at Stage 2. These may include cases where (1) the applicant failed to obtain a patent from the designated patent office; or (2) the applicant has either withdrawn his application at the designated patent offices or his application in Hong Kong.

- (b) Generally speaking, the processing time for each of the two stages described in part (a) above used to be about three months, from the date the Registry received the application.

In the second half of 2011, the number of applications saw a substantive increase. The upward trend persisted in early 2012. In the circumstances, the processing time for individual cases (especially those where the documents accompanying the request do not fully satisfy the formal requirements at the time of filing) may exceed three months. Nonetheless, we will endeavour to absorb the rising workload within existing resources and maintain the processing time at the level prevailing before mid-2011, i.e. about three months for each of the two stages.

- (c) One of the principal functions of this Department is to provide patent registration services. It is inappropriate for us to offer, to members of the public, legal advice on the patentability of individual applications. After he has been granted a standard or short-term patent, any person who requires financial assistance in the face of legal proceedings in relation to the patent may consider lodging an application with the Legal Aid Department for assistance.

Signature	_____
Name in block letters	<u>CHEUNG KAM-FAI, PETER</u>
Post Title	<u>Director of Intellectual Property</u>
Date	<u>28.2.2012</u>

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

Reply Serial No.

CEDB(CIT)150

Question Serial No.

1621

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 :

A public consultation on a review of the patent system in Hong Kong was conducted earlier on. How much financial resources and manpower will the Administration deploy to the review and improvement of the existing patent system in Hong Kong?

Asked by : Hon. WONG Ting-kwong

Reply :

Apart from using existing resources and manpower, we have since late 2011 employed two non-civil service contract solicitors to help handle the extra work generated by the review exercise.

On our review of the patent system in Hong Kong, we have received over 70 written submissions from the public consultation exercise conducted between October and the end of December 2011. We are now examining the views received. We intend to announce the proposed way forward in the first half of 2012. Since the outcome of the review is not yet known, it would be difficult for us to estimate at this stage the amount of resources required beyond that. We will examine the financial resources and manpower requirements for the next stage of our work at an opportune time.

Signature _____

Name in block letters CHEUNG KAM-FAI, PETER

Post Title Director of Intellectual Property

Date 28.2.2012

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

Reply Serial No.

CEDB(CIT)151

Question Serial No.

1194

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 :

For Invest Hong Kong (InvestHK), the provision for 2012-13 is \$1.6 million (1.4%) higher than the revised estimate for 2011-12. It has indicated under this programme that its aim is to attract and assist overseas, Mainland and Taiwan companies to set up, retain and expand their operations in Hong Kong and to promote Hong Kong's advantages as the leading international business location in Asia. The department also places emphasis on attracting companies with the potential to contribute to Hong Kong's economic development, and encouraging them to locate their regional headquarters and strategic functions in Hong Kong to access opportunities on the Mainland and elsewhere in Asia.

In this connection, would the Administration provide the following information:

- (a) A table showing the policies formulated and work done by InvestHK in the past 3 years with a view to attracting companies with the potential to contribute to Hong Kong's economic development, and encouraging them to locate their regional headquarters and strategic functions in Hong Kong;
- (b) The numbers of regional headquarters established by foreign companies in Hong Kong in the past 3 years, and a breakdown showing the numbers of regional headquarters newly set up in Hong Kong and those re-located outside the territory; and
- (c) What new measures InvestHK will roll out in the coming year to attract and retain foreign direct investment and encourage foreign companies to locate their regional headquarters in Hong Kong, and the provision and manpower required for such measures.

Asked by : Hon. CHAN Kin-por

Reply :

- (a) In the past three years, InvestHK has conducted investment promotion visits in target cities overseas and in the Mainland to meet with companies in different sectors to encourage and assist them in setting up their business in Hong Kong or locating their regional headquarters and strategic functions to Hong Kong, in order to access the business opportunities in the Mainland and across Asia. From 2009 to 2011, InvestHK conducted over 5 000 meetings with target companies each year, including companies with sizeable international operations in key markets. Furthermore, InvestHK has organised various events to reach out to multinational companies to promote the advantages of Hong Kong as an ideal international

business hub. InvestHK also provided aftercare support services to overseas and Mainland companies already established a presence in Hong Kong to assist them in expanding their Hong Kong business operations.

- (b) According to the results of the *Annual Survey of Companies in Hong Kong Representing Parent Companies Located outside Hong Kong* conducted by the Census and Statistics Department in collaboration with InvestHK, the numbers of regional headquarters and regional offices of overseas, Mainland and Taiwan companies in Hong Kong in the past three years are as follows:

Year Number	2009	2010	2011
number of Regional Headquarters	1 252	1 285	1 340
number of Regional Offices	2 328	2 353	2 412
Total	3 580	3 638	3 752

We do not have statistics on regional headquarters which have left Hong Kong.

- (c) In 2012-13, InvestHK will continue to strengthen its investment promotional efforts, with focus particularly on the Mainland, Taiwan and other key emerging markets. InvestHK will proactively approach companies with potential to expand globally, and will encourage and assist them in setting up their regional headquarters in Hong Kong. InvestHK will also continue to organise integrated marketing campaigns, with emphasis on target sectors and industries, to promote Hong Kong as a global financial centre and as a base for international business to oversee their regional operations. Through its enhanced representation in target emerging markets, InvestHK will step up its efforts to identify potential investors in these markets and assist them in establishing their regional operations in Hong Kong. For overseas and Mainland companies already set up in Hong Kong, InvestHK will strengthen its aftercare support services to help them expand their regional headquarters or regional offices. In 2012-13, the estimated expenditure of InvestHK for conducting investment promotion activities in various markets is around \$41 million and would involve about 57 investment promotion staff in InvestHK.

Signature _____
 Name in block letters SIMON GALPIN
 Post Title Director-General of Investment Promotion
 Date 28.2.2012

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

Reply Serial No.

CEDB(CIT)152

Question Serial No.

0930

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 Administration said that Invest Hong Kong “placed particular focus on encouraging companies from the Mainland and Taiwan and important emerging markets such as Russia, India and South America to set up operations in Hong Kong” in 2011. Please inform this Committee of the details and evaluation of the effectiveness of the promotional activities in these priority markets.

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

Reply :

In 2011-12, Invest Hong Kong (InvestHK) conducted marketing campaigns, seminars and investment promotion visits to attract more companies from the Mainland, Taiwan and the emerging markets to set up or expand their operation in Hong Kong. In collaboration with the Mainland authorities and business associations, InvestHK organised programmes to proactively reach out to privately-owned enterprises in the high-growth Mainland cities including Suzhou, Tianjin, Guangzhou, Qingdao, Changsha, Shantou, Xiamen, Ningbo and Kunming. InvestHK has completed 56 projects from the Mainland.

As regards the Taiwan market, InvestHK continued to reach out to a wide spectrum of Taiwan companies to provide them with the necessary support in setting up or expanding their business in Hong Kong. InvestHK also organised seminars and investment promotion visits in different cities in Taiwan (including Taipei and Taichung), and maintained close liaison with the Taiwan business community and representatives of Taiwan business associations in Hong Kong. A total of seven projects from Taiwan were completed in 2011.

In 2011-12, InvestHK also conducted various investment promotion visits to target cities in emerging markets, including Russia, India, South America, Southeast Asia and the Middle East to encourage and assist more companies in setting up business in Hong Kong and to promote Hong Kong's business environment. InvestHK also organised two joint promotion seminars in South America, including one in partnership with Zhuhai in Bogota, Colombia, and another one in partnership with Zhuhai and Macau in Sao Paulo, Brazil. To strengthen its presence and

investment promotion work in target emerging markets, InvestHK has also engaged consultants in such strategic locations as Malaysia and Brazil. In terms of investment projects, InvestHK has completed 20 projects from these emerging markets.

Signature	_____
Name in block letters	<u>SIMON GALPIN</u>
Post Title	<u>Director-General of Investment Promotion</u>
Date	<u>28.2.2012</u>

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

Reply Serial No.

CEDB(CIT)153

Question Serial No.

1066

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 2012-13, Invest Hong Kong will continue the joint overseas marketing activities with Pearl River Delta cities. What are the activities concerned and the breakdown of expenditure?

Asked by: Hon. LAM Tai-fai

Reply:

In 2012-13, Invest Hong Kong will organise investment promotion activities (including seminars) in overseas markets jointly with Guangdong Province and cities in the Pearl River Delta region to promote the combined advantages of Hong Kong and the Mainland. Details of these planned activities are as follows:

Time	Destination	Partner
September 2012	Moscow	Zhuhai
October 2012	Toronto	Guangdong
November 2012	Mumbai	Guangzhou

Invest Hong Kong is in close liaison with cities in the Pearl River Delta region to discuss other possible joint promotion programmes in 2012-13. The total estimated expenditure of these joint overseas activities is about \$2.5 million.

Signature _____

Name in block letters SIMON GALPIN

Post Title Director-General of Investment Promotion

Date 28.2.2012

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

Reply Serial No.

CEDB(CIT)154

Question Serial No.

1067

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 2012-13, Invest Hong Kong will further strengthen aftercare support to companies already established in Hong Kong. What are the support services concerned and the breakdown of expenditure?

Asked by: Hon. LAM Tai-fai

Reply:

Provision of aftercare services is an important dimension of the work of Invest Hong Kong (InvestHK) to help retain investment in Hong Kong. In 2012-13, InvestHK will continue to further strengthen its aftercare services. In addition to conducting regular visits to overseas and Mainland companies already set up in Hong Kong to better understand their service needs, InvestHK will offer facilitation services such as visa applications and placement in international schools for accompanying children of expatriate employees when these companies expand their business in Hong Kong. As part of its efforts to deliver aftercare support services, InvestHK will also organise events targeting specific markets or sectors to provide existing overseas and Mainland companies with networking opportunities and updated information on market opportunities, and to strengthen the relationship with these companies. The estimated expenditure for organising these events is around \$2.5 million. The figure does not include staff cost or 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 _____

28.2.2012

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

Reply Serial No.

CEDB(CIT)155

Question Serial No.

2770

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 2012-13, Invest Hong Kong indicates that it will continue to strengthen co-operation with the Economic and Trade Offices as well as organisations promoting Hong Kong overseas and on the Mainland, such as the Hong Kong Trade Development Council, Science Park and Cyberport, and collaborate with the new Hong Kong Economic, Trade and Cultural Office to promote Hong Kong in Taiwan. Please provide the details and a breakdown of the expenditure of such plan.

Asked by : Hon. LAM Tai-fai

Reply :

In 2012-13, Invest Hong Kong (InvestHK) will continue to strengthen co-operation with the Economic and Trade Offices (ETOs) as well as other organisations responsible for promoting Hong Kong overseas and on the Mainland to highlight the advantages of Hong Kong as an international business hub.

With the support of the Investment Promotion Units (IPUs) in the ETOs, InvestHK will continue to organise marketing campaigns, promotion seminars and investment promotion visits in key markets to introduce the business environment of Hong Kong to companies in the priority sectors. InvestHK will also collaborate with the Hong Kong Trade Development Council (HKTDC), Science Park and Cyberport to co-organise promotion events including sector-focused seminars and exhibitions in target markets. In 2012, InvestHK will participate in HKTDC's promotion conference in Japan in May, and will collaborate with HKTDC to jointly organise an exhibition at the China International Fair for Investment and Trade in Xiamen in September and also at the Forum on Pan-Pearl River Delta Regional Co-operation and Development in Haikou in October, with a view to promoting the business advantages of Hong Kong. InvestHK will also organise a seminar in Wuhan in collaboration with the Science Park in March this year, targeting the innovation and technology sector, and will participate in a seminar to be organised by the Science Park in the United Kingdom in September.

As regards the Taiwan market, InvestHK will continue to step up promotion efforts through the support of the IPU in the newly established Hong Kong Economic, Trade and Cultural Office in Taiwan. These include organising various investment promotion programmes and conducting investment promotion visits in different cities in Taiwan to encourage and assist Taiwan companies in setting up or expanding their business in Hong Kong. InvestHK will also continue to strengthen partnership with the Taiwan business community and representatives of Taiwan business associations in Hong Kong and provide them with necessary support.

In 2012-13, the estimated expenditure for conducting investment promotion activities overseas is around \$18 million, and that for the Mainland and Taiwan is around \$4.4 million and \$1.1 million respectively. The figures do not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

Signature	_____
Name in block letters	<u>SIMON GALPIN</u>
Post Title	<u>Director-General of Investment Promotion</u>
Date	<u>28.2.2012</u>

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

Reply Serial No.

CEDB(CIT)156

Question Serial No.

2258

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 HK advised that the “provision for 2012-13 is \$1.6 million (1.4%) higher than the revised estimate for 2011-12. This is mainly due to the increased provision required for sustaining the momentum of investment promotion work and increase in salary provisions arising from staff changes.” Will Invest HK advise the number of staff members that have left and been recruited in each of the past three years, ending in 2011-12?

Asked by : Hon. LI Kwok-po, David

Reply :

There are currently 35 civil service posts and 61 non-civil service contract (NCSC) positions in Invest Hong Kong (InvestHK).

The civil servants in InvestHK are mainly general grades staff who are centrally recruited and subject to postings to different government departments regularly. The number of NCSC staff that have left and the number recruited by InvestHK in the past three years are set out as follows-

<u>Number</u> \ <u>Year</u>	2009-10	2010-11	2011-12
staff who have left Invest Hong Kong	6	7	8
staff recruited in the year	3	10	11

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

28.2.2012

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

Reply Serial No.

CEDB(CIT)157

Question Serial No.

2745

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 provision of weather services by the Hong Kong Observatory (HKO), will the Administration inform this Committee of the following:

- (a) Some users' mobile phones were out of order due to the problems occasioned by the recent launching of an upgrade version of the mobile weather application, "My Observatory", on Android platform. What is the number of complaints received by the Administration? Has the Administration followed up on and reviewed the situation?
- (b) Regarding my previous enquiries about the issue of the heat stress index, what is the latest progress of developing the index? When will it be disseminated to the public?
- (c) What are the expenditure and manpower involved in the projects on research and technological development in the past year? (please list out the title, content and expenses of each project). What is the amount of resources reserved for research and technological development for the coming 3 years?
- (d) Given that only temperature data is available in some district weather stations of the HKO but not other weather information such as air pressure and humidity, people in these districts do not have a complete picture of the weather situation. Will the Administration consider installing other weather instruments at these stations as well so as to provide more comprehensive weather information?
- (e) Please provide information on previous cases in which weather stations broke down and required repairs resulting in failure to provide data in the past year, and the reason(s) of the incidents as well as the number of hours of non-provision of data.
- (f) Regarding my previous requests for extending the current seven-day weather forecast to a ten-day forecast, what is the result of the latest evaluation made by the Administration?
- (g) Regarding the Digital Weather Forecast and the rainfall nowcast available on the HKO's webpage, has the Administration evaluated the accuracy of these forecasting products? If yes, what is the result? Is it possible for the Administration to further enhance the forecasting accuracy?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

Our response to the questions raised by the Hon Frederick Fung is given below:

- (a) We received about 20 enquiries from the public following an increase in electricity consumption associated with the use of an earlier version of “MyObservatory”. The Observatory looked into the matter and followed up with the launching of an optimised version. Thereafter, we had not received further public enquiries on the subject. HKO will continue to monitor users’ feedback and strive to provide public weather information services in a user-friendly manner;
- (b) regarding heat stress information, the Observatory is collecting extra scientific data for the relevant studies. Since a large amount of data is involved, more time will be required for the analysis. We will see how best to integrate the results of the studies with overseas experience. We will also consult relevant departments and stakeholders on matters relating to the dissemination of heat stress information for public reference. Subject to completion of the scientific studies and consultation, we will consider rolling out the information service as soon as practicable;
- (c) the Observatory makes use of existing manpower and resources to carry out most of its research and development projects, or in partnership with local and overseas academic institutions. The expenditure involved has been subsumed into the 2011-12 provision for the Observatory. It is difficult to quantify such expenditure separately.

Where appropriate, the Observatory also outsources research and development projects. In 2011-12, the Observatory outsourced 4 projects, with details given in Annex A. The Observatory has earmarked funds for outsourcing one other project in 2012-13, with details given in Annex B. We have not reserved funds for outsourced projects beyond 2012-13;

- (d) the Hong Kong Observatory monitors weather conditions across Hong Kong through a network of over 30 weather stations. Most of these stations provide a range of regional weather information, including temperature, wind speed and direction, rainfall and relative humidity etc. The Observatory will consider installing additional instruments at individual weather stations on a need basis. As regards the mean sea level pressure (hereafter referred to as air pressure), there is generally little variation from district to district. Nevertheless, information on air pressure from 12 weather stations is made available through the Observatory’s website for interested parties;
- (e) individual weather stations may stop providing service occasionally. This is mainly due to routine preventive maintenance, replacement of spare parts or equipment malfunction, etc. Equipment malfunctioning is generally associated with damage caused by inclement weather such as typhoons or thunderstorms. To minimise interruptions to data collection associated with such circumstances, the Observatory adopts various measures such as enhancing lightning protection facilities; installing back-up equipment; carrying out preventive checking on a regular basis; and replacing ageing meteorological equipment in a timely manner. Under adverse weather conditions, the Observatory stations maintenance teams at certain critical stations round-the-clock.

In 2011, the overall data collection rate at our weather stations was very close to 100%;

- (f) Hong Kong is situated in the subtropical region. Our weather conditions are influenced by wider weather forces at work from all directions, including developments of continental or oceanic scale. Hence, the weather in Hong Kong is highly susceptible to change. This is somewhat different from the situation in areas located at higher latitudes. At present, the meteorological authorities that are placed in a geographical environment similar to that of Hong Kong (such as Macao, Taiwan and Singapore, etc.) generally provide weather forecast for three to seven days. We believe that the current seven-day weather forecast in Hong Kong generally meets the public needs.

The Observatory has recently re-assessed the feasibility of extending weather forecasts beyond seven days. The results indicate that the forecast accuracy rate would drop significantly with the extension of the forecast period. In view of current technology, it would be difficult for us in the short run to make forecast reliably to cover a longer period of time. Nevertheless, the Observatory will continue to keep abreast of developments in weather forecasting technologies and examine the feasibility of extending the forecast time span as necessary; and

- (g) the Observatory's "Digital Weather Forecast" and the rainfall "nowcast" systems are fully automated. The Observatory has been evaluating their performance. The mean forecast error for temperature, wind speed and relative humidity in the Digital Weather Forecast are about 2 degrees, 7 kilometres per hour and 10% respectively. The accuracy of the rainfall nowcast in the coming hour is around 70%. The performance is comparatively lower for forecasts between the first and second hour.

The Observatory will continue to keep in view the developments of the related technology and consider the feasibility of enhancing the performance of the above forecasts.

Signature _____

Name in block letters _____ SHUN Chi-ming _____

Post Title _____ Director of the Hong Kong Observatory _____

Date _____ 29.2.2012 _____

Research and technical development projects
outsourced by the Hong Kong Observatory in 2011-12

Title/Subject	Content of work	Expenditure (HKD)
Further research on the use of “high resolution” (i.e. more detailed) weather forecasting model to analyse and study the windshear phenomenon	To simulate the occurrence of windshear at the Hong Kong International Airport for investigating the capability of the “high resolution” weather forecasting model, and to analyse the simulation results	\$109,000
Further analysis and detection of tornadoes and similar weather phenomena	To analyse the tornado which occurred in 2004, using the data of Terminal Doppler Weather Radar (TDWR) and Light Detection And Ranging (LIDAR); and explore the feasibility of detecting tornadoes and similar weather phenomena using such data	\$93,600
Technical research on “high resolution” weather forecasting model	To estimate the computer resources required for running different “high resolution” weather forecasting models	\$98,600
To study the effect of wake flow associated with buildings on aircraft landing	To use “high resolution” atmospheric simulation, together with a dynamical model of aircraft, for studying the effect of the wake flow caused by airport buildings on aircraft landing	\$88,000
Total:		\$389,200

Research and technical development project
with funds earmarked by Hong Kong Observatory to be outsourced in 2012-13

Title/Subject	Content of work	Expenditure (HKD)
Enhancement of Hong Kong Observatory's nowcasting system	To operate the existing nowcasting system on a new computing platform for accelerated execution of the system	\$200,000

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

Reply Serial No.

CEDB(CIT)158

Question Serial No.

1410

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 :

The Hong Kong Observatory has enhanced the development of mobile platforms (such as iOS and Android platforms) in recent years to disseminate the latest weather information. Please provide the details for developing the above mobile platform applications and the expenditure involved.

Asked by : Hon. HO Chung-tai, Raymond

Reply :

To allow public access to the latest weather information anytime, anywhere, the Observatory has developed an application on popular mobile platforms, namely "MyObservatory" (with updated versions being laid on in line with advances in technology). The application provides personalised weather services, thereby allowing mobile phone users to obtain weather information specific to their locations, including temperature, relative humidity, rainfall amount, wind direction, wind speed and weather photos etc. In addition to basic weather forecasts and warnings, "MyObservatory" also provides in-depth information such as rainfall distribution map, satellite and radar imageries, map of tropical cyclone track, tide and lightning locations etc. for interested users.

The Hong Kong Observatory deploys existing resources to develop the "MyObservatory" weather information service. The expenditure has been subsumed into the provision for 2011-12 for the Observatory. It is difficult to quantify such expenditure separately.

Signature _____

Name in block letters SHUN Chi-ming

Post Title Director of the Hong Kong Observatory

Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)159

Question Serial No.

2052

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 weather services, please inform this Committee:

- a) the number of severe weather warnings issued in the past five years for causes such as tropical cyclone, storm surge, rainstorm, landslide, flooding, thunderstorm, wind shear, fire danger, very hot and cold weather. Please break down the number by year.
- b) Please provide details on the provision of the latest information and tools for monitoring sand and dust weather. What are the current manpower and expenditure involved?

Asked by : Hon. KAM Nai-wai

Reply :

- a) The various weather warnings issued by the Hong Kong Observatory in the past five years (2007-2011) are listed in the appended table.
- b) At present, the Observatory provides, for public consumption, the latest information on sand and dust weather mainly through its website (<http://www.weather.gov.hk/wxinfo/sanddust/sdawx.html>). The webpages display weather reports about sand and dust conditions near Hong Kong in the past few days, satellite images and the forecast trajectory of air mass movement. These data are provided to help users understand the evolution of sand and dust weather. The webpages also provide relevant background information, such as factors causing the inception of sand and dust weather.

The Observatory used existing resources and manpower to develop and operate the Sand and Dust Weather Information webpages. The expenditure has been subsumed into the 2011-12 provision for the Observatory. It is difficult to quantify such expenditure separately.

Signature _____

Name in block letters SHUN Chi-ming

Post Title Director of the Hong Kong Observatory

Date 29.2.2012

Table

Year		2007	2008	2009	2010	2011
Tropical Cyclone Warning Signals	No. 1	4	8	13	8	8
	No. 3	3	9	9	3	5
	No. 8	1	5	4	0	1
	No. 9	0	1	1	0	0
	No. 10	0	0	0	0	0
<i>(Actual number of tropical cyclones affecting Hong Kong)</i>		2	6	8	5	5
Rainstorm Warning Signals	Amber	12	21	20	17	14
	Red	2	7	2	7	2
	Black	0	2	0	2	0
Landslip Warning		1	5	2	3	0
Special Announcement on Flooding in the Northern New Territories		1	3	4	4	3
Thunderstorm Warning		137	130	126	138	100
Windshear Warning		443	292	419	506	323
Fire Danger Warning Signals	Yellow	27	41	33	22	36
	Red	25	18	20	19	26
Very Hot Weather Warning		9	10	15	18	12
Cold Weather Warning		5	8	6	8	9

Note 1 : Where typhoon-related storm surges cause flooding, the Observatory will subsume the flooding warning in the tropical cyclone warning bulletins.

Note 2 : The number of signals and warnings is counted on the basis of the number of times of signal issuance. For instance, if the Observatory first issued Tropical Cyclone Signal No. 1, then replaced it by Signal No. 3 and thereafter issued Signal No. 1 again, then there will be two counts of Signal No. 1 and one count of Signal No. 3. As such, the number of warning signals could be more than the number of tropical cyclones affecting Hong Kong.

Note 3 : When the Tropical Cyclone Signal No. 8 is continuously in force, the number of Signal No. 8 will be counted as one, irrespective of the number of changes in Tropical Cyclone Signal No. 8 of different wind directions issued by the Observatory within that period of time.

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

Reply Serial No.

CEDB(CIT)160

Question Serial No.

2054

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 :

Regarding time standard and geophysical services, please advise on the manpower, expenditures and equipment involved as well as the operational details of the following work in each of the past five years:

- a) operating seismological, tide and water level monitoring networks and conducting data analyses;
- b) compiling climatological and other related data;
- c) conducting studies related to climate change in Hong Kong and promoting public understanding; and
- d) providing updates on the effects of El Nino and other longer term atmospheric phenomena on Hong Kong.

Asked by : Hon. KAM Nai-wai

Reply :

Details of the Hong Kong Observatory's work in respect of "time standard and geophysical services" in the past five years are given below:

- a) to enhance its capability in earthquake monitoring and tsunami warning, the Observatory:
 - i) established the tenth seismograph station at Po Shan Road, Mid-Levels. The station was equipped with a broadband seismograph and an automatic seismic data processing system for real-time data exchange with overseas agencies. This expedited the earthquake analysis process and the dissemination of quick earthquake messages;
 - ii) developed a tsunami prediction system suitable for local use by simulating the arrival of tsunamis caused by earthquakes; and
 - iii) helped co-ordinate the participation of government bureaux and departments in the Pacific-wide tsunami exercises organised in 2008 and 2011 by the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organisation;

- b) the Observatory compiled on a regular basis monthly weather summaries, annual summaries of meteorological and tidal observations in Hong Kong, reports on tropical cyclones, etc. The Observatory updated and enriched the content of its climate information webpage from time to time as necessary. Examples include the introduction of the Hong Kong regional climate webpage in 2009 and the publication of the mean values of weather data such as temperature and rainfall for the past 30 years;
- c) using meteorological data and existing computer facilities and making reference to the climate model simulation results of major counterparts around the world, the Observatory conducted researches on climate change and completed a number of studies in the past five years, including the long-term trend of Hong Kong's climate change, projections on temperature and rainfall and related weather projections in Hong Kong in the 21st century, as well as the long-term trend of tropical cyclone activities. The Observatory promoted public education on climate change through a range of activities, such as holding talks on climate change for schools and relevant organisations, setting up a climate change webpage, publishing educational materials/pamphlets, etc. Other promotion activities were held jointly with relevant organisations;
- d) using existing computer facilities and making reference to the climate forecasts around the world, the Observatory monitored the development of El Niño/La Niña and issued updated information to the public from time to time on possible impact on Hong Kong's climate. The main tasks delivered in the past five years included a study covering the effect of El Niño/La Niña on the winter monsoon, and climate of other seasons in Hong Kong, and the publishing of winter temperature and rainfall data in Hong Kong during La Niña in recent decades.

Regarding expenditure, the acquisition and installation of the broadband seismograph and the seismic data processing system described in part (a) above required a non-recurrent expenditure of \$4.1 million. The manpower provision and expenditure for the Observatory's "time standard and geophysical services" (including the work within the above scope and our work related to time standard) under Programme (3) for the past five years are listed below:

Year	Expenditure (\$ million)	Manpower provision (Number of staff)
2011-12	10.3*	15
2010-11	9.7	15
2009-10	9.8	15
2008-09	10.3	15
2007-08	9.3	15

*denotes the revised estimate

Signature _____
Name in block letters SHUN Chi-ming
Post Title Director of the Hong Kong Observatory
Date 29.2.2012

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

Reply Serial No.

CEDB(CIT)161

Question Serial No.

2055

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 :

Regarding time standard and geophysical services, please advise on the manpower, expenditures and equipment involved as well as the operational details of the following work in each of the past five years:

- (a) assessing the impact of climate change on the extreme weather events of Hong Kong; and
- (b) assessing the characteristics of urban heat island effects in Hong Kong.

Asked by : Hon. KAM Nai-wai

Reply :

Using existing computer facilities and making reference to the climate model simulation results of major counterparts around the world, the Hong Kong Observatory completed a number of studies in the past five years on the long-term trend of Hong Kong's climate change, projections on temperature and rainfall, as well as the characteristics of urban heat island effects in Hong Kong.

The findings show that, under the influence of global climate change and local urbanisation, the annual temperature and rainfall recorded at the Observatory exhibit long-term rising trends: cold days (minimum temperature of 12°C or below) become fewer while hot nights (temperature of 28°C or above), very hot days (maximum temperature of 33°C or above) and days with heavy rain (hourly rainfall of 30 mm or above) occur more frequently. These trends are expected to persist in the 21st century.

The urban heat island effects in Hong Kong display two main characteristics: the night-time temperature in the urban areas is generally higher than the rural areas, and the difference is more significant in winter.

Apart from publishing the above study findings in scientific journals and presentation at technical conferences, the Observatory disseminates the same in layman's terms to the general public through various channels, including the Observatory's website, press release, pamphlets and seminars.

The Observatory used existing manpower and resources to carry out the above tasks. The expenditure has been subsumed into the provision for the Observatory. It is difficult to quantify such expenditure separately.

Signature _____

Name in block letters _____

SHUN Chi-ming

Post Title _____

Director of the Hong Kong Observatory

Date _____

29.2.2012

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

Reply Serial No.

CEDB(CIT)162

Question Serial No.

0127

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 :

The Observatory intends to acquire a replacement caesium-beam atomic clock and related time transfer systems in 2012-13. What is the reason? What is the expenditure involved?

Asked by : Hon. LAU Wong-fat

Reply :

The Hong Kong Observatory has two caesium-beam atomic clocks. One of them, in operation since 2004, is approaching the end of its functional life. For replacement purpose, the Observatory will acquire a new clock in 2012-13 to maintain the Hong Kong time standard and time services, providing time signals for the public.

The Observatory uses the related time transfer systems to feed the time data generated by our caesium-beam atomic clocks to the International Bureau of Weights and Measures ("the International Bureau"), as our contribution to the determination of the universal standard time. This arrangement also helps monitor the consistency between the time kept by the local atomic clocks and the universal standard time, thereby ensuring the accuracy of the Hong Kong time standard. The International Bureau has set out to modify its mode of operation which had been in use since the 1990s. It requires more frequent time data from contributing organisations all over the world. The Observatory needs to acquire new time transfer systems in 2012-13 to conform to the International Bureau's new mode of operation.

The expenditure for acquiring the new caesium-beam atomic clock and the related time transfer systems will be about \$0.8 million and \$0.7 million respectively.

Signature	_____
Name in block letters	<u>SHUN Chi-ming</u>
Post Title	<u>Director of the Hong Kong Observatory</u>
Date	<u>29.2.2012</u>

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

Reply Serial No.

CEDB(CIT)163

Question Serial No.

2037

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 :

It is stated in the Matters Requiring Special Attention in 2012-13 that the Trade and Industry Department will implement measures to support Hong Kong enterprises in developing their brands and promoting sales in the domestic market. Would the Administration please advise this Committee about the specific details of the measures, result indicators and the expenditure involved?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Trade and Industry Department (TID) has endeavoured to assist Hong Kong enterprises in developing brands and exploring the Mainland and overseas markets. Its SME Export Marketing Fund supports small and medium enterprises (SMEs) in marketing promotion activities; while the SME Development Fund provides financial support to industrial and trade organisations, support organisations and professional bodies to carry out projects which enhance the competitiveness of SMEs. The estimated expenditure of the above-mentioned funds for 2012-13 is \$299.6 million.

To assist Hong Kong enterprises in establishing their brands and enhancing their competitiveness in the Mainland and overseas markets, in 2012-13, we will also strengthen our co-operation with the Hong Kong Trade Development Council, local business associations and other relevant organisations and continue to organise seminars to help enterprises better understand brand development as well as strategies to explore the Mainland and overseas markets. TID will also disseminate practical reference information relevant to brand development through various channels (like brand promotion website). Expenses for organising seminars and maintaining the brand promotion website, etc are covered by the recurrent expenditure of TID.

To support Hong Kong enterprises, in particular SMEs, to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011-12 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland.

The fund would comprise two parts:

- (i) to provide funding support to individual Hong Kong companies to assist them in undertaking projects to develop brands, upgrade and restructure their business operations and promote sales in the Mainland market, so as to enhance their competitiveness and facilitate their business development in the Mainland market; and
- (ii) to provide funding support to non-profit-distributing organisations for them to undertake large-scale projects which aim to assist Hong Kong enterprises in general or in specific sectors to develop brands, upgrade and restructure business operations and promote sales in the Mainland market, so as to enhance their competitiveness in the Mainland market.

We have consulted the trade earlier and are finalising the operation details of the fund. We plan to seek funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid 2012.

Signature	_____
Name in block letters	Ms Maria S.N. KWAN
Post Title	Director-General of Trade and Industry
Date	24.2.2012

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

Reply Serial No.

CEDB(CIT)164

Question Serial No.

2767

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) Regarding the SME Export Marketing Fund (EMF), all three entries in the estimates, namely “the number of applications received and processed”, “the number of small and medium enterprises (SMEs) beneficiaries” and “the amount of grant issued by the Government” estimated for 2012 are lower than those of 2010 and 2011. What are the reasons?
- (b) Some businessmen opined that the grant limit of only \$50,000 per application and the cumulative grant ceiling of \$150,000 set by EMF for each SME to participate in exhibition are too little and cannot fully cater for the needs of SMEs. Has the Administration ever assessed what the extra expenditure will be if the above amounts increase by one fold or if those SMEs which have reached the maximum cumulative amount can re-apply after a period of time?
- (c) In 2012-13, the TID will continue to introduce measures and co-operate with trade and industrial organisations to assist in developing and promoting Hong Kong Brands, what are the measures and the breakdown of the related expenditure?

Asked by : Hon. LAM Tai-fai

Reply:

- (a) A series of enhancement measures were introduced to the “SME Export Marketing Fund” (EMF) during the period between 2008 and 2009, including the increase of the maximum grant and the expansion of the scope of activities eligible for funding. As a result, the number of applications increased significantly in 2009. The number of applications gradually stabilised in 2010. In 2011, the number of applications stabilised steadily but still represented an increase of 23% compared with 2008 before the implementation of the enhancement measures. We anticipate that the situation in 2012 will be more or less the same as that in 2011.
- (b) In 2008, the cumulative grant ceiling for each SME under EMF was significantly increased twice from \$80,000 to \$150,000, representing an 88% increase approximately. The grant limit for each application was also increased from \$30,000 to \$50,000, representing a 67% increase. Currently, about 90% of the beneficiary enterprises have not yet reached the cumulative grant ceiling. We therefore do not have any plan to further increase the ceiling at this stage. In addition, in order to benefit more enterprises with the available resources, we also do not have any plan at this stage to allow the small proportion of enterprises which have reached the cumulative grant ceiling to re-apply for EMF after a period of time.

- (c) TID has endeavoured to assist Hong Kong enterprises in developing and promoting brands. Its EMF supports SMEs in marketing promotion activities; while the SME Development Fund (SDF) provides financial support to industrial and trade organisations, support organisations and professional bodies to carry out projects which enhance the competitiveness of SMEs, including projects to develop and promote brands. The estimated expenditure of the above-mentioned funds for 2012-13 is \$299.6 million.

In 2012-13, we will also strengthen our co-operation with the Hong Kong Trade Development Council, local business associations and other relevant organisations and continue to organise seminars to help enterprises better understand brand development as well as strategies to explore the Mainland and overseas markets. TID will also disseminate practical reference information relevant to brand development through various channels (like brand promotion website). The related expenses will be covered by the recurrent expenditure of TID.

Signature	_____
Name in block letters	Ms Maria S.N. KWAN
Post Title	Director-General of Trade and Industry
Date	24.2.2012

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

Reply Serial No.

CEDB(CIT)165

Question Serial No.

2768

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 indicates that in 2012-13 it will continue to provide small and medium enterprises (SMEs) with support services through the Support and Consultation Centre for SMEs (SUCCESS). What were the scope of services and the comparison of the breakdown of expenditure for the past three years?

Asked by : Hon. LAM Tai-fai

Reply :

For the past three years, the Support and Consultation Centre for SMEs (SUCCESS) of the Trade and Industry Department (TID) has been providing free support services for small and medium enterprises (SMEs), which have been well received by SMEs. On information services, the SUCCESS website contains business information, including requirements for government licences and permits, etc. SUCCESS also keeps SMEs informed of the latest business information and the updated news on SMEs' activities and services through its reference library, business electronic databases, e-newsletters and regular publication, "SME Pulse". On consultation services, SUCCESS arranges SMEs to meet with experts of various sectors for professional consultation through its "Meet-the-Advisors" Business Advisory Service, providing them with practical advice on business operation problems. Under the "SME Mentorship Programme", SME entrepreneurs who are at their early stage of business may learn from and be guided by accomplished entrepreneurs through one-on-one counselling on entrepreneurial skills. In addition, SUCCESS often organises seminars and workshops to help broaden SMEs' business knowledge and enhance their entrepreneurial skills.

The expenditure of SUCCESS for the past three years has been included in the recurrent expenditure of TID and cannot be broken down separately for comparison.

Signature _____

Name in block letters _____

Ms Maria S.N. KWAN

Post Title _____

Director-General of Trade and Industry

Date _____

24.2.2012

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

Reply Serial No.

CEDB(CIT)166

Question Serial No.

2772

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (1) Commercial Relations

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Trade and Industry Department has planned to continue discussion, in consultation and conjunction with relevant policy bureaux and departments, with the Mainland authorities in 2012-13 on further liberalisation under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and issues relating to the implementation of the announced liberalisation measures. Both local trade and professionals have reflected that the situation of “the big doors are open, but small doors are not yet open” exists. In view of this, would the Administration please inform this Committee of any further plans for effective implementation of the announced liberalisation measures and the breakdown of expenditure?

Asked by: Hon. LAM Tai-fai

Reply:

The Government attaches great importance to the effective implementation and further liberalisation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). We work closely with the Mainland authorities at central, provincial and municipal levels to address and follow up on problems encountered by Hong Kong enterprises (including professionals) in using CEPA liberalisation measures in the Mainland. Apart from providing free information and advisory services on CEPA, the Trade and Industry Department (TID) has established a notification mechanism with the Mainland authorities to disseminate information in relation to the promulgation of relevant regulations and implementation details on its CEPA website for the trade's reference. Hong Kong enterprises can also seek advice on the regulatory regime and application details of the relevant service industries in the Mainland from the Hong Kong Trade Development Council China Business Advisory Unit, which comprises representatives from the Ministry of Commerce, Guangdong Province, Shanghai Municipality and Fujian Province. If Hong Kong enterprises encounter difficulties in using CEPA measures, they can approach TID, offices of the Government of the Hong Kong Special Administrative Region in the Mainland, or the relevant bureaux and departments. We will render assistance as appropriate having regard to the nature of the problems involved.

The CEPA-related work outlined above is carried out by different bureaux and departments. The Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) is responsible for the overall policy on CEPA; TID oversees bilateral discussions on further liberalisation and implementation of liberalisation measures under CEPA; and individual bureaux and departments deal with specific issues related to the liberalisation and implementation of CEPA in the relevant service sectors. The resource requirements are worked out by relevant bureaux/departments respectively, and we do not have information on the actual amount involved.

Signature _____

Name in block letters _____ Ms Maria S. N. KWAN

Post Title _____ Director-General of Trade and Industry

Date _____ 24.2.2012

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

Reply Serial No.

CEDB(CIT)167

Question Serial No.

1145

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 keeps the strategic trade control system under review, with a view to further streamlining the procedures and rules without compromising the integrity and effectiveness of the control. For this, would the Administration please advise on the latest progress of the work concerned as well as the work plan for 2012/13 and the expenditure involved?

Asked by : Hon. LAU Kin-ye, Miriam

Reply :

The Trade and Industry Department (TID) 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. Through close liaison with the trade, TID reviews the strategic trade control system from time to time, with a view to further streamlining rules and procedures, on the basis that the integrity and effectiveness of control will not be compromised. Major works are as follows:

- (1) in response to the latest requirements of the international control regimes, we have expedited the amendment of the list of controlled strategic commodities and relaxed the control on import and export of the items concerned where appropriate. The latest amendment to the control list took effect in January 2012. We will start a new round of amendment in 2012-13;
- (2) in 2012-13, we will continue to explore the possibility of enhancing the "Approval-in-Principal Arrangement for Bulk Users of Strategic Commodities Licensing Service" to facilitate the users of such service; 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 24.2.2012

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

Reply Serial No.

CEDB(CIT)168

Question Serial No.

0110

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 :

Paragraph 120 of the budget speech mentioned about setting up a dedicated fund of \$1 billion to help Hong Kong enterprises tap the Mainland market by restructuring and upgrading their operations, developing their brands and expanding domestic sales in the Mainland. Please advise this Committee:

- a) how the Administration will help the enterprises restructure and upgrade their operations;
- b) whether the Administration will introduce measures under the dedicated fund to help the existing enterprises transform their operations from “Original Equipment Manufacturing” (OEM) to “Original Design Manufacturing” (ODM)?

Asked by : Hon. LEUNG LAU Yau-fun, Sophie

Reply :

To support Hong Kong enterprises, in particular SMEs, to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland

The fund would comprise two parts:

- (i) to provide funding support to individual Hong Kong companies to assist them in undertaking projects to develop brands, upgrade and restructure their business operations and promote sales in the Mainland market, so as to enhance their competitiveness and facilitate their business development in the Mainland market; and
- (ii) to provide funding support to non-profit-distributing organisations for them to undertake large-scale projects which aim to assist Hong Kong enterprises in general or in specific sectors to develop brands, upgrade and restructure business operations and promote sales in the Mainland market, so as to enhance their competitiveness in the Mainland market.

The fund has a broad scope. Projects which focus on one or more areas of branding, restructuring and upgrading, and promoting domestic sales will be eligible to apply for the fund. For instance, in terms of restructuring and upgrading, projects which aim to facilitate business development through upgrading and restructuring business operations or production capacities, including those of business model upgrading and restructuring such as the conversion of an OEM enterprise into an ODM and/or Own Brand Manufacturing one, may apply for the fund.

We have consulted the trade earlier and are finalising the operation details of the fund. We plan to seek the funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid 2012.

Signature _____

Name in block letters _____ Ms Maria S. N. KWAN

Post Title _____ Director-General of Trade and Industry

Date _____ 24.2.2012

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

Reply Serial No.

CEDB(CIT)169

Question Serial No.

1890

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) For those young people who wish to start their businesses but lack financial means, what funding schemes are provided by the Government for them to apply?
- (b) Regarding the above funding schemes which assist the public in starting their businesses, how many applications have been received over the past two years? How many cases among them are applied by young people between the ages of 18 and 35?
- (c) Regarding a large number of cases in foreign countries in which young people with innovative ideas tried to start up their businesses and subsequently gained great success, has the SAR Government ever considered allocating fund to set up a start-up fund specially for young people to apply?

Asked by : Hon. LEUNG Mei-fun, Priscilla

Reply :

The Government is committed to supporting the development of small and medium enterprises (SMEs) (including business start-ups). Different departments and relevant agencies are providing support to young people aspiring to start up their own businesses.

As far as the Trade and Industry Department is concerned, the existing SME Loan Guarantee Scheme aims to help SMEs (including business start-ups) to secure loans from participating lending institutions to meet their financing needs. The Government would provide up to 50% loan guarantee for approved loans and the maximum amount of loan guarantee for each SME is \$6 million. We do not have statistics about the number of SME beneficiaries by different age groups.

In addition, the Hong Kong Mortgage Corporation (HKMC) intends to introduce a three-year microfinance pilot scheme to assist people who may wish to start their own businesses or take self-enhancement training but cannot do so due to a lack of financial means or difficulties in obtaining loans from traditional finance sources. HKMC will co-ordinate and collaborate with banks, voluntary agencies and other stakeholders to carry out this pilot scheme on a self-financing basis. Supporting services will also be provided to enhance the viability of the scheme.

Signature _____

Name in block letters Ms Maria S.N. KWAN _____

Post Title Director-General of Trade and Industry _____

Date 27.2.2012 _____

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

Reply Serial No.

CEDB(CIT)170

Question Serial No.

0733

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 :

On regional co-operation, would the Administration inform this Committee the Trade and Industry Department's (TID) participation in meetings and seminars/forums related to small and medium enterprises (SMEs) under the Asia-Pacific Economic Cooperation (APEC) in 2011-12 and related expenditure; the estimated expenditure for participation in similar activities in 2012-13; and the criteria adopted by the Administration in deciding participation in such activities?

Asked by : Hon. TAM Wai-ho, Samson

Reply :

In 2011-12, the Trade and Industry Department (TID) participated in two meetings of the APEC Small and Medium Enterprise (SME) Working Group, one SME Ministerial Meeting and six seminars/forums related to SMEs held during the above-mentioned meetings. The total expenditure was about \$274,000. The estimated expenditure for TID's participation in similar activities in 2012-13 is \$205,000.

APEC endeavours to promote free trade and enhance economic development within the Asia-Pacific region. As one of the 21 member economies of APEC, Hong Kong, China has been actively supporting the work of APEC (including participation in meetings and activities related to SMEs organised by APEC), and collaborating with other APEC economies to foster the development of SMEs in the region and help SMEs enhance their competitiveness.

Signature _____

Name in block letters _____

Ms Maria S.N. KWAN

Post Title _____

Director-General of Trade and Industry

Date _____

24.2.2012

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

Reply Serial No.

CEDB(CIT)171

Question Serial No.

0734

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 :

How much manpower and resources will be allocated in 2012-13 to assist Hong Kong enterprises in developing and promoting their brands, and how do they compare to the amount in 2011-12? Please advise the work to be undertaken in 2012-13 to enhance the competitiveness of enterprises in the Mainland and the overseas markets, and the related expenses incurred?

Asked by : Hon. TAM Wai-ho, Samson

Reply :

The Trade and Industry Department (TID) has been dedicated to assisting Hong Kong enterprises in developing brands and exploring the Mainland and overseas markets. Its SME Export Marketing Fund (EMF) supports small and medium enterprises (SMEs) in marketing promotion activities; while the SME Development Fund (SDF) provides financial support to trade and industrial organisations, support organisations and professional bodies to carry out projects which enhance the competitiveness of SMEs in Hong Kong. The estimated expenditure of \$299.6 million of the above-mentioned funds for 2012-13 is comparable to the revised estimated expenditure of \$297.7 million for 2011-12.

To assist Hong Kong enterprises in establishing their brands and enhancing their competitiveness in the Mainland and overseas markets, in 2012-13, we will strengthen our cooperation with the Hong Kong Trade Development Council (HKTDC), local business associations and other relevant organisations and continue to organise seminars to help enterprises better understand brand development as well as strategies to explore the Mainland and overseas markets. TID will also disseminate practical reference information relevant to brand development through various channels (like brand promotion website). Expenses for organising seminars and maintaining the brand promotion website are covered by the recurrent expenditure of TID.

To support Hong Kong enterprises, in particular SMEs, to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland.

The fund would comprise two parts:

- (i) to provide funding support to individual Hong Kong companies to assist them in undertaking projects to develop brands, upgrade and restructure their business operations and promote sales in the Mainland market, so as to enhance their competitiveness and facilitate their business development in the Mainland market; and
- (ii) to provide funding support to non-profit distributing organisations for them to undertake large-scale projects which aim to assist Hong Kong enterprises in general or in specific sectors to develop brands, upgrade and restructure business operations and promote sales in the Mainland market, so as to enhance their competitiveness in the Mainland market.

We have consulted the trade earlier and are finalising the operation details of the fund. We plan to seek the funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid 2012.

Signature _____

Name in block letters Ms Maria S. N. KWAN

Post Title Director-General of Trade and Industry

Date 24.2.2012

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

Reply Serial No.

CEDB(CIT)173

Question Serial No.

1803

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) Please advise this Committee in detail the amount anticipated to be allocated under the dedicated fund with a duration of five years;
- (b) Please advise the amount of dedicated fund estimated for :
 - (i) supporting Hong Kong enterprises to develop their brands
 - (ii) restructuring and upgrading and promoting domestic sales

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

To support Hong Kong enterprises, in particular small and medium enterprises, to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011-12 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland.

The fund would comprise two parts:

- (i) to provide funding support to individual Hong Kong companies to assist them in undertaking projects to develop brands, upgrade and restructure their business operations and promote sales in the Mainland market, so as to enhance their competitiveness and facilitate their business development in the Mainland market; and
- (ii) to provide funding support to non-profit-distributing organisations for them to undertake large-scale projects which aim to assist Hong Kong enterprises in general or in specific sectors to develop brands, upgrade and restructure business operations and promote sales in the Mainland market, so as to enhance their competitiveness in the Mainland market.

According to our current thinking, projects which focus on one or more areas of branding, upgrading and restructuring, and promoting domestic sales will be eligible to apply for the fund. To increase the flexibility of the use of the fund, the Government has no plan at this stage to set separate funding ceilings for each of these three areas.

We have consulted the trade earlier and are finalising the operation details of the fund. We plan to seek funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid 2012.

Signature _____

Name in block letters _____ Ms Maria S. N. KWAN

Post Title _____ Director-General of Trade and Industry

Date _____ 27.2.2012

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

Reply Serial No.

CEDB(CIT)174

Question Serial No.

1805

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 :

Concerning the net increase of three permanent posts in 2012–13, please advise the titles, duties and salary of these posts.

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

In 2012–13, there will be a net increase of three permanent posts in the Trade and Industry Department, namely two Assistant Trade Officers II and one Analyst/Programmer II. They will be responsible for helping to facilitate the trade and economic relations with emerging markets, and strengthening the information technology management and relevant supporting services respectively. Based on the notional annual mid-point salary value, the total annual salary of these three posts is estimated to be around \$1.09 million.

Signature _____

Name in block letters _____ Ms Maria S. N. KWAN

Post Title _____ Director-General of Trade and Industry

Date _____ 24.2.2012

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

Reply Serial No.

CEDB(CIT)175

Question Serial No.

2367

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (1) Commercial Relations

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Under Supplement VIII to the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), the Mainland and Hong Kong will introduce 32 services liberalisation and trade and investment facilitation measures. Would the Administration please advise the progress of the 32 services facilitation measures and the relevant work in the coming year? What is the anticipated time for formal completion of the relevant details so that the relevant Hong Kong service sectors can enter the Mainland market to develop business?

Asked by: Hon. WONG Kwok-kin

Reply:

Supplement VIII to the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) provides for a total of 32 services liberalisation and trade and investment facilitation measures, which include 23 liberalisation measures in 16 service sectors, and measures on the strengthening of cooperation in the areas of finance, tourism and innovation and technology etc. All services liberalisation measures will be effective from 1 April 2012 while the relevant trade and investment facilitation measures have become effective on the day Supplement VIII to CEPA was signed.

To ensure that all services liberalisation measures could be implemented as scheduled, the relevant Mainland authorities are in the process of amending the relevant laws and regulations as necessary. The Trade and Industry Department will follow up with the relevant Mainland authorities and will disseminate relevant information on its CEPA website for the trade's reference. Moreover, bureaux and departments will deal with specific issues related to the implementation of liberalisation measures in their respective service sectors.

Signature _____

Name in block letters Ms Maria S. N. KWAN

Post Title Director-General of Trade and Industry

Date 24.2.2012

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

Reply Serial No.

CEDB(CIT)176

Question Serial No.

1624

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (1) Commercial Relations

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), how much financial resources and manpower will be allocated by the Administration especially for the implementation work as well as future negotiations and conclusion of new supplements with the Mainland?

Asked by : Hon. WONG Ting-kwong

Reply :

For the CEPA-related work, the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) is responsible for the overall policy; the Trade and Industry Department oversees bilateral discussions on further liberalisation and implementation of liberalisation measures under CEPA; and individual bureaux and departments deal with specific issues related to the liberalisation and implementation of CEPA in the relevant service sectors. The resource requirements are worked out by relevant bureaux/departments respectively, and we do not have information on the actual amount involved.

Signature _____

Name in block letters Ms Maria S. N. KWAN

Post Title Director-General of Trade and Industry

Date 24.2.2012

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

Reply Serial No.

CEDB(CIT)177

Question Serial No.

1625

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 :

It is stated in the Matters Requiring Special Attention in 2012-13 that the Trade and Industry Department will continue to implement measures and co-operate with the trade and industrial organisations to support the development and promotion of Hong Kong brands. What are the specific measures and work? What are the financial resources and manpower involved?

Asked by : Hon. WONG Ting-kwong

Reply :

The Trade and Industry Department (TID) endeavours to assist Hong Kong enterprises in developing brands and exploring the Mainland and overseas markets. Its SME Export Marketing Fund supports small and medium enterprises (SMEs) in market promotion activities; while the SME Development Fund provides financial support to trade and industrial organisations, support organisations and professional bodies to carry out projects which enhance the competitiveness of SMEs. The estimated expenditure of the above-mentioned funds for 2012-13 is \$299.6 million.

To assist Hong Kong enterprises in establishing their brands and enhancing their competitiveness in the Mainland and overseas markets, in 2012-13, we will also strengthen our co-operation with the Hong Kong Trade Development Council, local business associations and other relevant organisations and continue to organise seminars to help enterprises better understand brand development as well as strategies to explore the Mainland and overseas markets. TID will also disseminate practical reference information relevant to brand development to Hong Kong enterprises through various channels (like brand promotion website). Expenses for organising seminars and maintaining the brand promotion website, etc. are covered by the recurrent expenditure of TID and the work will be handled by existing manpower.

To support Hong Kong enterprises, in particular SMEs, to capture the opportunities arising from the National 12th Five-Year Plan, the Chief Executive announced in the 2011-12 Policy Address a proposal to set up a dedicated fund of \$1 billion to encourage them to move up the value chain and explore and develop the Mainland market through developing brands, restructuring and upgrading their operations and promoting domestic sales in the Mainland.

The fund would comprise two parts:

- (i) to provide funding support to individual Hong Kong companies to assist them in undertaking projects to develop brands, upgrade and restructure their business operations and promote sales in the Mainland market, so as to enhance their competitiveness and facilitate their business development in the Mainland market; and
- (ii) to provide funding support to non-profit-distributing organisations for them to undertake large-scale projects which aim to assist Hong Kong enterprises in general or in specific sectors to develop brands, upgrade and restructure business operations and promote sales in the Mainland market, so as to enhance their competitiveness in the Mainland market.

We have consulted the trade earlier and are finalising the operation details of the fund. We plan to seek the funding approval from the Finance Committee of the Legislative Council in April with a view to launching the fund by mid 2012.

Signature	_____
Name in block letters	Ms Maria S.N. KWAN
Post Title	Director-General of Trade and Industry
Date	24.2.2012

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

Reply Serial No.

CEDB(CIT)179

Question Serial No.

1627

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 :

It is stated in the Matters Requiring Special Attention in 2012-13 that the Trade and Industry Department will continue to provide support services for SMEs through the Support and Consultation Centre for SMEs. What are the concrete measures and work? What are the financial resources and manpower involved?

Asked by : Hon. WONG Ting-kwong

Reply :

The Support and Consultation Centre for SMEs (SUCCESS) of the Trade and Industry Department (TID) provides free, reliable and practical information and consultation services for small and medium enterprises (SMEs) (including business start-ups).

On information services, the SUCCESS website contains comprehensive business information, including requirements for government licences and permits, etc. SUCCESS also keeps SMEs informed of the latest business information through its reference library, business electronic databases, e-newsletters and regular publication, "SME Pulse".

On consultation services, SUCCESS arranges SMEs to meet with experts of various sectors for professional consultation through its "Meet-the-Advisors" Business Advisory Service, providing them with practical advice on business problems. SUCCESS also implements a "SME Mentorship Programme", under which SME entrepreneurs who are at their early stage of business may learn from and be guided by accomplished entrepreneurs through one-on-one counselling during a 12-month mentorship period.

In addition, SUCCESS also organises seminars and workshops to help broaden SMEs' business knowledge and enhance their entrepreneurial skills.

The expenditure and manpower for SUCCESS have been subsumed under the provision of TID and would be difficult to account for separately.

Signature _____

Name in block letters Ms Maria S. N. KWAN

Post Title Director-General of Trade and Industry

Date 24.2.2012

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

Reply Serial No.

CEDB(CIT)180

Question Serial No.

1992

Head : 703 – Buildings

Subhead : 3391RO Tourist District Enhancement
Programme – The Peak

Programme :

Controlling Officer : Director of Architectural Services

Director of Bureau : Secretary for Commerce and Economic Development

Question :

- (a) According to the Administration, the approved project estimate for the Tourist District Enhancement Programme – The Peak is \$137.1 million and the actual expenditure as at 31 March 2011 is \$54.372 million. Yet the estimated expenditure for 2012-13 is only \$4.2 million. What is the timetable for drawing down the remaining provision of \$73.5 million or so? How can the works be expedited?
- (b) Please set out in detail the distribution of resources allocated for the various facilities of the enhancement programme.

Asked by : Hon. LAU Sau-shing, Patrick

Reply :

- (a) Works for the "Tourist District Enhancement Programme – The Peak" (the Project) commenced in September 2005 and had been completed. The improved facilities were commissioned in December 2009. The approved project estimate is \$137.1 million and the actual expenditure as at 31 March 2011 is \$54.372 million. The revised estimate for 2011-12 is \$5 million. The estimated expenditure of \$4.2 million for 2012-13 is mainly for the final settlement of the project account. We will closely monitor the finalisation of project account.
- (b) The Project includes improvement works for the following sites :
- (i) The Peak's commercial core and a section of Findlay Road between Peak Road and the Lions View Point Pavilion;
 - (ii) Findlay Path and Old Peak Road Round Walk;
 - (iii) Lugard Road and Harlech Road Round Walk;
 - (iv) Mount Austin Road, Mount Austin Playground and the Former Gate Lodge; and
 - (v) The Governor's Walk.

Under the relevant contract, the overall expenditure is broken down by types of works (e.g. building works, building services, external works, soft landscaping works, etc.). As such, breakdown by facilities is not available.

Signature _____

Name in block letters _____

K K LEUNG

Post Title _____

Director of Architectural Services

Date _____

24.2.2012

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

Reply Serial No.

CEDB(CIT)181

Question Serial No.

3376

Head : 79 Invest Hong Kong

Subhead (No. & title) : 000 Operational
Expenses

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question:

Will the Administration provide a breakdown by region for the expenditure of investment promotion projects in different regions? What criteria are used to determine the ratio of resource allocation?

Asked by: Hon. CHAN Tanya

Reply:

Invest Hong Kong (InvestHK) conducts investment promotion activities in target cities overseas and on the Mainland to promote the business environment of Hong Kong and to assist companies in setting up or expanding their operations here. InvestHK allocates resources to different regions based on its priority of business sectors and the potential of companies in different regions to invest in Hong Kong. In 2012-13, the estimated expenditures of InvestHK for conducting investment promotion activities in different regions are as follows:

Regions	Estimated expenditure in 2012-13 (HK\$ million)
North, Central and South Americas	5.2
Asia Pacific	7.1
Mainland and Taiwan	5.5
Europe and Middle East	5.7

The above figures do not include staff cost or 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 _____

28.2.2012

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

Reply Serial No.

CEDB(CIT)182

Question Serial No.

3377

Head : 79 Invest Hong Kong

Subhead (No. & title) : 000 Operational
Expenses

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question:

Will specific projects be launched in 2012-13 to promote Hong Kong as the preferred listing platform for state and local enterprises in other countries so as to make Hong Kong stock market even more international. If so, what are the work plan and estimated expenditure for these projects? If not, what are the reasons?

Asked by: Hon. CHAN Tanya

Reply:

Invest Hong Kong's (InvestHK) mission is to encourage and assist overseas and Mainland companies in setting up or expanding their business operations in Hong Kong. InvestHK also collaborates with other Government departments and relevant organisations on promoting Hong Kong as a global financial centre. In 2012-13, InvestHK will continue to work closely with the Hong Kong Exchanges and Clearing Limited, which promotes Hong Kong as a preferred listing centre for multinational companies, to introduce the business advantages of Hong Kong to international business sectors. InvestHK will also work in partnership with the Financial Services and the Treasury Bureau, the Hong Kong Monetary Authority and the Securities and Futures Commission to organise seminars and investment promotion visits in key markets overseas. As activities promoting Hong Kong as a preferred listing centre form part of the promotion programmes of InvestHK, the expenses on these activities cannot be separately itemised.

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

28.2.2012

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

Reply Serial No.

CEDB(CIT)183

Question Serial No.

3378

Head : 79 Invest Hong Kong

Subhead (No. & title) : 000 Operational
Expenses

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Will the Administration set any benchmark on the growth in total foreign investments in 2012-13 for assessing the performance of the Department? If so, what are the details? If not, what criteria will be used for evaluating the effectiveness of the promotion projects the Department pursued?

Asked by : Hon. CHAN Tanya

Reply

Invest Hong Kong (InvestHK) provides one-to-one facilitation service to encourage and assist overseas and Mainland companies in different target sectors in setting up or expanding their business operations in Hong Kong. Over the years, the number of companies which InvestHK has assisted continued to increase. InvestHK adopts the number of completed investment projects (i.e. investment projects resulting in overseas or Mainland companies setting up or expanding their business operations in Hong Kong with the assistance of InvestHK) as a key indicator to measure performance. In 2011, InvestHK helped 303 overseas and Mainland companies establish or expand their business operations in Hong Kong, exceeding the target of 290 completed investment projects for that year. In 2012, InvestHK has further raised the target of completed investment projects to 310.

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

28.2.2012

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

Reply Serial No.

CEDB(CIT)184

Question Serial No.

3410

Head : 181 Trade and Industry Department Subhead (No. & title) : 000 Operational Expenses

Programme : (1) Commercial Relations

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question :

- (a) The ASEAN-China Free Trade Area (ACFTA) will soon be established, will the Trade and Industry Department (TID) take this opportunity to establish closer trade relations with ASEAN countries? If yes, what are the concrete working plan and estimated expenditure for 2012-13?
- (b) In view that hidden worries still exist in the economy of many traditional trade partners of Hong Kong like Europe and North America, will TID shift its focus to other emerging markets in 2012-13? If yes, what are the working plan and estimated expenditure?

Asked by : Hon. CHAN Tanya

Reply :

- (a) The Government of the Hong Kong Special Administrative Region (HKSARG) has been actively exploring possibilities of negotiating free trade agreements with other economies so as to facilitate the access of Hong Kong goods and services to overseas markets under more favorable conditions. Mainland China and ASEAN countries are important trading partners of Hong Kong. Since the establishment of ASEAN-China Free Trade Area (ACFTA) in 2003, the HKSARG has been keeping a close watch of its progress and exploring the possibility of joining.

When Vice Premier Li Keqiang visited Hong Kong last year, he publicly indicated the support for Hong Kong to actively participate in East Asia regional cooperation. We have expressed to ASEAN our wish for joining ACFTA in order to further facilitate trade and investment liberalisation within the region. In this regard, the HKSARG will continue to maintain close liaison with ASEAN.

As the follow-up work related to Hong Kong's joining ACFTA is part of the TID's commercial relations work, it would be difficult to separately account for the resources involved from within the estimated expenditure for the overall commercial relations work. Hence, separate estimates cannot be provided.

- (b) The economy of emerging markets (including the Middle East, Russia, India and South America, etc.) has been developing continuously in recent years and their economic and trade activities with the Mainland are increasing. We have been actively strengthening our trade and investment cooperation with these markets so as to explore markets and create business opportunities for Hong Kong goods and services. For instance, visits have been arranged for senior officials (or together with the trade) and bilateral agreements in different areas have been signed. In addition, TID is now in the process of engaging consultants to assist us in understanding the latest economic and trade developments of the emerging economies. They will also collect information about the emerging markets to help formulate strategies and methods for further strengthening bilateral trade and economic links and cooperation. The expenditure of work related to emerging markets has been included in the overall estimated expenditure for commercial relations and cannot be broken down separately.

Signature _____

Name in block letters _____ Ms Maria S. N. KWAN

Post Title _____ Director-General of Trade and Industry

Date _____ 28.2.2012

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

Reply Serial No.

CEDB(CIT)185

Question Serial No.

3428

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 :

As many small and medium enterprises (SMEs) want to explore the emerging markets, will Trade and Industry Department (TID) adopt any measures to assist the SMEs in 2012-2013 ? If yes, what is the concrete work plan and the estimated expenditure?

Asked by : Hon. CHAN Tanya

Reply :

The Trade and Industry Department (TID) has endeavoured to assist enterprises, including small and medium enterprises (SMEs), to explore export markets including emerging ones. The Government has provided a range of support measures in this regard.

On financial support, TID's SME Export Marketing Fund (EMF) supports SMEs to participate in export promotion activities, up to a cumulative funding ceiling of \$150,000 for each SME. The SME Development Fund (SDF) provides financial support to projects carried out by industrial and trade organisations, support organisations and professional bodies to enhance the competitiveness of Hong Kong's SMEs. The maximum amount of funding support for each project is \$2 million. The estimated expenditure of EMF and SDF for 2012-13 is around \$299.6 million.

TID also keeps the trade abreast of the latest information in overseas markets from time to time. In addition, TID provides information and consultation services for SMEs through its Support and Consultation Centre for SMEs (SUCCESS). Moreover, SUCCESS organises seminars and workshops to help broaden SMEs' business knowledge and enhance their entrepreneurial skills, so as to help them explore markets. The expenditure of the work involved has been subsumed under the provision of TID. It is difficult to account for separately.

Signature _____

Name in block letters Ms Maria S.N. KWAN

Post Title Director-General of Trade and Industry

Date 28.2.2012

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

Reply Serial No.

CEDB(CIT)186

Question Serial No.

3429

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 :

Would the Government consider allocating resources to review the operation of the SME Export Marketing Fund (EMF) with regard to grant amount, scope of grant and the vetting criteria and consult the trade? If so, what are the details? If not, what are the reasons?

Asked by : Hon. CHAN Tanya

Reply :

The Government has been monitoring the operation of the SME Export Marketing Fund (EMF) closely. We would consider relevant factors, including the market situation and the needs of the trade and conduct reviews and make suitable adjustments from time to time, so as to provide the trade with adequate support.

The Trade and Industry Department (TID) has increased the grant ceiling and expanded the funding scope of the EMF for several times in the past. In 2008, TID increased significantly the cumulative grant ceiling for each SME twice, from \$80,000 to \$150,000; and increased the grant ceiling for each application from \$30,000 to \$50,000. In addition, in 2008 and 2009 respectively, we expanded the scope of the EMF to include placing advertisements on trade publications and eligible trade websites. We will continue to monitor closely changes in the market and the needs of the trade, and review the operation of the EMF from time to time, in order to provide the trade with adequate support. The relevant work will be covered by the recurrent expenditure of TID.

Signature _____

Name in block letters _____ Ms Maria S.N. KWAN

Post Title _____ Director-General of Trade and Industry

Date _____ 28.2.2012