

立法會
Legislative Council

LC Paper No. CB(1)555/11-12
(These minutes have been seen
by the Administration)

Ref : CB1/PL/EDEV/1

Panel on Economic Development

**Minutes of special meeting
held on Friday, 14 October 2011, at 4:30 pm
in Conference Room 1 of the Legislative Council Complex**

- Members present :** Hon Jeffrey LAM Kin-fung, GBS, JP (Chairman)
Hon Paul TSE Wai-chun, JP (Deputy Chairman)
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon Fred LI Wah-ming, SBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon Andrew CHENG Kar-foo
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon CHIM Pui-chung
Hon Starry LEE Wai-king, JP
Hon Paul CHAN Mo-po, MH, JP
Hon IP Wai-ming, MH
Dr Hon Samson TAM Wai-ho, JP
Hon Tanya CHAN
Hon Albert CHAN Wai-yip
- Members attending :** Hon WONG Kwok-hing, MH
Dr Hon PAN Pey-chyou
- Members absent :** Dr Hon David LI Kwok-po, GBM, GBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon Emily LAU Wai-hing, JP
Hon Vincent FANG Kang, SBS, JP
Hon Ronny TONG Ka-wah, SC
Dr Hon LEUNG Ka-lau
Hon Mrs Regina IP LAU Suk-yee, GBS, JP

**Public officers
attending** : Agenda Item I

Mr Gregory SO, JP
Secretary for Commerce and Economic Development

Mr Andrew H Y WONG, JP
Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)

Mr Philip YUNG, JP
Commissioner for Tourism

Ms Linda LAI, JP
Deputy Secretary for Commerce and Economic Development (Commerce and Industry)

Mr Christopher WONG, JP
Deputy Secretary for Commerce and Economic Development (Commerce and Industry)

Mrs Alice CHEUNG
Deputy Secretary for Commerce and Economic Development (Commerce and Industry)

Agenda Item II

Ms Eva CHENG, JP
Secretary for Transport and Housing

Mr Francis HO, JP
Permanent Secretary for Transport and Housing (Transport)

Mr YAU Shing-mu, JP
Under Secretary for Transport and Housing

Mr Roger TUPPER
Director of Marine

Mr Y K LEUNG
Acting Director-General of Civil Aviation

Ms Julina CHAN
Deputy Secretary for Transport and Housing
(Transport)5

Mrs Sharon YIP
Deputy Secretary for Transport and Housing
(Transport)4

Agenda Item III

Mr Edward YAU Tang-wah
Secretary for the Environment

Ms Anissa WONG Sean-yee
Permanent Secretary for the Environment

Ms Vivian LAU Lee-kwan
Deputy Secretary for the Environment

Miss Katherine CHOI Man-yee
Administrative Assistant to Secretary for the
Environment

Clerk in attendance : Mr Derek LO
Chief Council Secretary (1)6

Staff in attendance : Mrs Constance LI
Assistant Secretary General 1

Ms Sarah YUEN
Senior Council Secretary (1)6

Ms Michelle NIEN
Legislative Assistant (1)6

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- I **Briefing by the Secretary for Commerce and Economic Development on relevant policy initiatives in the Chief Executive's 2011-2012 Policy Address**
(LC Paper No. CB(1)43/11-12(01) — Administration's paper on policy initiatives of the

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

LC Paper No. CB(1)94/11-12(01)—Speaking note of the Secretary (tabled at the meeting and subsequently issued on 17 October 2011) for Commerce and Economic Development)

The Secretary for Commerce and Economic Development (SCED) briefed members on the policy initiatives of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau (CEDB).

Economic development

2. Mr WONG Kwok-hing enquired about the efforts being made by CEDB to facilitate the implementation of the Central Government's package of measures to support the financial development in Hong Kong announced by Mr LI Keqiang, Vice-Premier of the State Council, at the Forum on the 12th Five-Year Plan and Mainland-Hong Kong Economic, Trade and Financial Co-operation held on 17 August 2011, thereby creating more jobs and business opportunities for Hong Kong.

3. SCED responded that relevant efforts included the development and promotion of "multi-destination" itineraries including those for cruise tourism as CEDB prepared for the commissioning of the new cruise terminal at Kai Tak and endeavoured to develop Hong Kong into a homeport for cruise tourism in the region, and efforts made to tackle the problem of coerced shopping in co-operation with relevant Mainland authorities to ensure Mainland visitors a pleasant stay in Hong Kong, in recognition that Mainland visitors made up some 63% of Hong Kong's inbound visitors and, in August 2011 alone, the number of Mainland visitors had increased from some 3 830 000 in July to a record high of 4 065 761, while the number of visitors from other countries had only slightly grown or even decreased because of the present economic climate.

4. Pointing out that CEDB had the responsibility to create more business opportunities for Hong Kong, Mr WONG Ting-kwong asked the Administration to provide a paper on how it planned to make use of the following developments to create more business opportunities, particularly in promoting tourism, and industry and commerce in Hong Kong, so as to enable relevant trades to make early preparations and provide support for the developments -

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- (a) Expansion of the Hong Kong Disneyland and of the Ocean Park;
- (b) The Hong Kong National GeoPark's joining of the Global Geoparks Network;
- (c) Commissioning of the cruise terminal;
- (d) Construction of the Hong Kong-Zhuhai-Macao Bridge (HZMB);
- (e) Consultation on the third runway of the Hong Kong International Airport (HKIA); and
- (f) Construction of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL).

5. SCED responded that CEDB recognized its responsibility to make the most of the above developments to ensure Hong Kong's economy could continue to grow steadily, by taking various support measures worked out through macro planning.

Consumer protection

The mandatory imposition of a cooling-off period

6. Mr WONG Kwok-hing welcomed the legislative amendments under preparation to enhance protection for consumers against unfair trade practices. Mr Fred LI, however, expressed regret that after public consultation, CEDB had shelved the earlier planned mandatory imposition of a cooling-off period in consumer transactions (the cooling-off period proposal) to enhance consumer protection. He enquired about the reasons for CEDB's decision, and opined that instead of shelving the whole proposal, a phased approach should be adopted for its implementation, starting with beauty care, slimming and yoga companies which were often the targets of complaints. Ms Starry LEE shared Mr LI's views, pointing out that the cooling-off period proposal had long been called for.

7. SCED responded that CEDB had met with various quarters and discussed detailed arrangements for implementing the cooling-off period proposal. Trade associations and others expressed concerns about practical arrangements including notification arrangements, the arrangements for consumers to exercise the right of cancellation, the refund arrangements and small-value transactions. CEDB acknowledged that the proposal involved a wide range of traders and products and would also affect business operation and the process in which consumers entered into contracts. CEDB had to

spend more time to study how to address these concerns properly in the statute book. To ensure this issue would not affect the timely introduction of other legislative amendments to enhance consumer protection, CEDB had decided to first take forward those amendments aimed at criminalizing commonly seen unfair trade practices on which there was already a consensus. The Administration would, however, continue to study how to address the above concerns about the cooling-off period proposal. As to the above proposal to adopt a phased approach, while agreeing to consider the proposal, SCED explained that the approach might not be practicable at all, since it would be difficult to come up with a definition on what constituted beauty services, etc.

8. In reply to Mr Fred LI and Ms Starry LEE on when the cooling-off period proposal could be introduced into the Legislative Council (LegCo), SCED explained that, since time was required to study how to properly address in the statute book the above concerns to ensure satisfactory implementation of the proposal, it was premature to say when the legislative proposal would be ready.

9. Highlighting the concerns of the business community about the cooling-off period proposal, Mr Andrew LEUNG pointed out that the proposed expansion of the scope of the cooling-off arrangements was impracticable and inappropriate, and required careful examination. He therefore also urged CEDB to consider adopting a phased approach to implement the cooling-off period proposal, starting with beauty care, slimming and yoga companies first. In response, SCED assured members that CEDB would seriously examine all views expressed by members on the cooling-off period proposal.

10. Dr PAN Pey-chyou opined that the mandatory imposition of a cooling-off period and the criminalization of commonly seen unfair trade practices should be taken forward in parallel to ensure practicability and effectiveness because the former could provide a buffer to protect proper trade practices from being inadvertently criminalized as a result of the criminalization proposal. He further pointed out that from his experience, the victims of unfair trade practices were often mentally defective or disabled persons who did not know how to protect themselves. Legislative amendments should therefore be introduced to enhance protection for them.

11. SCED responded that CEDB recognized the need to adopt a multi-pronged approach to tackle unfair trade practices. Apart from proposing to criminalize commonly seen unfair trade practices, the Administration would work with the Consumer Council (CC) in gearing up public education to enhance consumers' awareness and knowledge of various

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unfair trade practices. The Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) added that the above criminalization proposal should be able to effectively enhance protection for consumers, including those mentally defective or disabled. Although there would be difficulty in laying down in law that these more vulnerable consumers should be given special protection, Dr PAN Pey-chyou's suggestion could be explored in detail during scrutiny of the criminalization proposal, which would be introduced into LegCo within the 2011-2012 legislative session.

The Competition Bill

12. Ms Starry LEE noted that to expedite scrutiny of the Competition Bill, CEDB would respond to major concerns about the Bill at the coming meeting of the Bills Committee on 25 October 2011. Ms LEE indicated her wish that the said response would be able to address the concerns of small and medium enterprises (SMEs) about "de minimis" arrangements as well as consumers' concerns about anti-competitive activities in Hong Kong, including supermarkets abusing their market power and oil companies in Hong Kong adopting a "fast price hike but slow price slash" practice. SCED responded that the Administration's response would cover new proposals regarding the handling of various types of anti-competitive conduct, "de minimis" arrangements, the pecuniary penalty cap, and the stand-alone right of private action. He assured members that the proposals would not change the objective of the Competition Bill, i.e. to protect consumers, enhance competition and maximize economic efficiency by prohibiting anti-competitive activities. Serious anti-competitive activities such as price fixing, market allocation or bid-rigging would still be effectively tackled.

13. Mr Andrew LEUNG, who was Chairman of the Bills Committee on Competition Bill, expressed appreciation for SCED's readiness to announce new proposals to address concerns about the Competition Bill to facilitate its enactment within the 2011-2012 legislative session. The Chairman welcomed the new proposals and expressed hope that they could positively respond to calls for keeping professional fees reasonable by increasing the supply of professionals, such as doctors and lawyers, through enabling more non-locally trained professionals to practise in Hong Kong subject to the same quality and professional standards of locally-trained professionals. The Chairman also highlighted the recent record increase in the number of companies registered in and moving their headquarters to Hong Kong, and attributed this to the abolition of the Estate Duty, which together with Hong Kong's low and simple tax regime and sound legal system had created an amicable business environment in Hong Kong. He, however, cautioned against the introduction of legislative proposals which might affect Hong

Kong's business environment. SCED responded that the future Competition Commission would investigate complaints on breaches to conduct rules in all sectors in accordance with powers provided by the enacted Competition Bill.

Tourism development

Supply of hotels

14. Highlighting the shortage of hotels in Hong Kong, in particular in North Lantau where AsiaWorld-Expo was located, Mr Andrew LEUNG questioned how CEDB could, as it pledged, support the work of the dedicated office of "Meetings and Exhibitions Hong Kong" of the Hong Kong Tourism Board (HKTB) to step up the promotion of Hong Kong as a premier MICE (meetings, incentive travels, conventions and exhibitions) destination. SCED responded that the number of hotels in Hong Kong had already increased from 118 (43 866 rooms) in end 2005 to 184 (61 944 rooms) in August 2011, and would further increase to 235 in 2016.

15. Mr CHAN Kam-lam opined that the above increase in hotels could hardly catch up with the significant increase in visitor arrivals, which had increased from 16 million in 2002-2003 to over 40 million in 2011. He pointed out that the escalating hotel room rates due to the serious imbalance in supply of and demand for hotel rooms had already caused many Mainland visitors under the Individual Visit Scheme to shorten their length of stay in Hong Kong to barely over one day. Mr CHAN was therefore keen to know whether there were plans to increase the supply of hotel rooms in the coming years in preparation for the commissioning of new tourist attractions, notably the cruise terminal, and for the hosting of international events already scheduled, so as to avoid wasting the efforts in attracting more visitors to stay and spend in Hong Kong.

16. SCED acknowledged the need to increase hotel rooms in recognition that the average hotel occupancy rate had already reached 89%, indicating a nearly saturated hotel capacity, and that the occupancy rates of medium tariff and high-tariff B hotels had also increased significantly during the period from 2005 to 2011. He assured members that to encourage the development of hotels to keep up with the growth of visitor arrivals, the Government had already waived the charge of Hotel Accommodation Tax effective from 1 July 2008. The Government had also identified from the List of Sites for Sale by Application in 2011-2012 four sites for hotel use and had encouraged the redevelopment and wholesale conversion of industrial buildings for commercial use, including hotel use, under the Revitalization of Industrial Buildings initiative. Up till the end of September 2011, there were already three and six such applications in the two modes respectively.

17. Mr Andrew LEUNG opined that sufficient hotels should be made available in North Lantau for visitors attending functions at AsiaWorld-Expo to obviate the need for them to travel long distances when commuting between their hotels and AsiaWorld-Expo. SCED responded that with an excellent transport network in Hong Kong, participants in functions held at AsiaWorld-Expo could travel anywhere in Hong Kong with ease. Moreover, there were already three hotels in North Lantau. The satisfactory growth in the number of conferences held in Hong Kong in recent years was a good indication that Hong Kong had continued to be an attractive venue for conferences. The Chairman emphasized that as learnt from experience, the proximity of hotel facilities to conference venues was vital in attracting international MICE events to Hong Kong. Mr Paul TSE shared the views of Mr LEUNG and the Chairman, and stressed the need for forward planning at the macro level in the supply of hotel rooms.

18. Mr Paul TSE enquired about the efforts being made to ensure smooth operation of the new cruise terminal to be commissioned at Kai Tak to help develop Hong Kong into a leading cruise hub in the region. Citing comment given by Mr LI Keqiang, Vice-Premier of the State Council, in support of the promotion of "multi-destination" itineraries featuring Hong Kong to tie in with the commissioning of the new cruise terminal in 2013, SCED responded that Hong Kong had great potential for developing into a homeport for cruise tourism.

Tourist attractions

19. Mr Paul TSE referred to Cable News Network (CNN)'s naming of the Avenue of Stars (AOS) as one of the world's worst tourist traps, and stressed the need to draw lessons from the CNN report. The Commissioner for Tourism responded that CEDB had always been making efforts to ensure the attractiveness of Hong Kong's tourist spots and that AOS was in fact quite popular with the number of visitors already exceeding 44 million. Notwithstanding this, the Tourism Commission had already met with HKTB, the Leisure and Cultural Services Department and the AOS Management Limited to examine ways to improve the attractiveness of AOS, for example by increasing resting areas, and food and beverage facilities, and by organizing activities in conjunction with HKTB's annual Hong Kong Winterfest. The Commission would report progress and effect of the above improvement measures to the Panel in due course.

20. Highlighting delays in taking forward several tourism projects, namely, the Aberdeen Tourism Project, the enhancement project at the Lei Yue Mun waterfront, and the development of the existing public transport

interchange adjacent to the Tsim Sha Tsui Star Ferry Pier into a piazza, Mr Paul TSE urged the Government to allocate sufficient resources to expedite these projects. Mr TSE pointed out the need in the long run for the establishment of a bureau with dedicated responsibilities for handling tourism issues including formulating and steering tourism policies, and ensuring the timely delivery of tourism infrastructure. Mr IP Wai-ming added that The Hong Kong Federation of Trade Unions (HKFTU) had also been calling for the establishment of an independent tourism bureau. The Administration noted members' views.

Regulatory framework of the tourism sector

21. Mr Paul TSE expressed concern about the progress of CEDB's policy initiative of reviewing the operation and regulatory framework of the tourism sector in Hong Kong and putting forward substantive relevant reform proposals. He enquired about the relevant timetable, and the interim measures that would be taken pending completion of the review. SCED responded that during the consultation exercise, the Administration received 1 200 submissions expressing views on the framework. These submissions came from two sources, namely, the general public and consumers, and relevant organizations such as CC, HKTB, District Councils and political parties. The Administration would announce the outcomes of the consultation exercise in the fourth quarter of 2011.

22. Mr IP Wai-ming enquired about the way forward of the above framework review, particularly whether consultation would be conducted again and whether legislative proposals, if required, would be introduced within the 2011-2012 legislative session. He also pointed out that HKFTU considered it undesirable to grant the Travel Industry Council of Hong Kong powers to regulate tour escorts and tourist guides, and opined that such powers should rest with the Government.

23. SCED responded that the Government had put forward four options on the regulation of tour escorts and tourist guides in the relevant consultation document for consideration, and would seriously examine all the views received during the consultation exercise. He also explained that since different options involved different follow-up steps, the way forward and the time required to effect improvements to the regulatory framework of the tourism sector would hinge on the choice of option and whether legislation was necessary. He further advised that to facilitate the reaching of a consensus on the regulatory framework to bring long-term benefits to the travel trade industry, stakeholders would be consulted again after a decision on the option to pursue was made.

II Briefing by the Secretary for Transport and Housing on relevant policy initiatives in the Chief Executive's 2011-2012 Policy Address

(LC Paper No. CB(1)43/11-12(02) — Administration's paper on policy initiatives of the Transport Branch of the Transport and Housing Bureau

LC Paper No. CB(1)94/11-12(02) — Speaking note of the Secretary (*tabled at the meeting and subsequently issued on 17 October 2011*) for Transport and Housing)

24. The Secretary for Transport and Housing (STH) briefed members on the policy initiatives of the Transport Branch of the Transport and Housing Bureau (THB).

The Hong Kong International Airport

25. Mr Andrew LEUNG stressed the need to increase the runway capacity of HKIA by highlighting the report of Frontier Economics on London Heathrow Airport, according to which insufficient runway capacity at Heathrow Airport and hence the lack of direct flights to emerging markets had caused Heathrow Airport to fall behind rival European airports, and was already costing the United Kingdom (UK) around 1.2 billion pounds a year as trade went to better-connected competitors.

26. STH responded that public consultation on the Hong Kong International Airport Master Plan 2030 Study (the 2030 Study), which sought to explore different development strategies and options for HKIA in the following twenty years, including the feasibility of building a third runway, had already been completed and the recommendations from the Airport Authority were expected by late 2011. When the relevant recommendations were available, THB would take them forward expeditiously. THB was keenly aware that the operation of HKIA was closely linked to Hong Kong's competitiveness, and in turn the development of various industries in the economy such as the financial and insurance services related to air freight, industries providing high-value goods and services, the exhibition industry, retail trade, etc.

27. Pointing out that the development of HKIA and the construction of a third runway, if any, would affect the environment and the overall development of Hong Kong, Miss Tanya CHAN stressed that a second round

of public consultation on HKIA's development should be conducted after the release of the report of the 2030 Study to solicit views on all relevant aspects in a comprehensive manner. STH noted members' recognition of the importance of HKIA's development to competitiveness and economic development of Hong Kong, and assured members that appropriate consultation would be conducted at the next stage of works as necessary. For instance, the relevant environmental impact assessment (EIA) process would include public consultation. STH further emphasized the comprehensiveness of the 2030 Study, which had incorporated input from all relevant bureaux/departments including THB and the Civil Aviation Department.

28. Ir Dr Raymond HO pointed out that the above uncertainties surrounding the construction of the third runway might delay its implementation timetable. As a result, HKIA might fail to meet the increasing demand for air traffic, thereby hurting Hong Kong's competitiveness, as shown in the case of Heathrow Airport. In response, STH assured members that HKIA could cope with air traffic demand up to the year 2020 after the implementation of the midfield expansion project to increase its handling capacity to 70 million passengers and 6 million tonnes of cargo per annum. If the third runway was constructed, HKIA could even cope with air traffic demand up to and possibly beyond the year 2030. Notwithstanding, since the construction of the third runway would require detailed planning and EIA, an early decision in this regard was necessary to facilitate timely commencement of this large-scale project.

29. Ir Dr Raymond HO expressed concern that the third runway might not be completed until 2022 or even later since the discussion about it would probably drag on for more than ten years. To expedite the expansion of HKIA, Ir Dr HO urged THB to get prepared for problems that might emerge during construction of the third runway. STH responded that the best way to get prepared was to decide as soon as practicable the way forward in the light of the Airport Authority (AA)'s analysis of the findings of the 2030 Study and its recommendations to the Government on the way forward. If large-scale works, such as construction of the third runway, were recommended, THB would consult the relevant Panels on the project timeframe.

SkyPier

30. Highlighting the development of the logistics industry towards a multi-modal transport mode, Ms Miriam LAU stressed the need for THB to ensure more multi-modal connections at HKIA, and considered it undesirable that the SkyPier cross-boundary ferry service only connected transit

passengers and not in-bound visitors, and that the service was not available for goods. She therefore urged THB to expand the SkyPier to cover the above services, and to provide a border control point to attract more visitors to make a one-day stop in Hong Kong for tours to attractions such as the Hong Kong Disneyland and Ngong Ping 360 in Lantau.

31. STH responded that after having carefully examined proposals regarding the SkyPier, AA was of the view that the current number of passengers using the SkyPier and its estimated future growth might not make the provision of a border control point there cost-effective, unless its operation was funded by the service operator concerned as in the case of the Tuen Mun Ferry Terminal. This was because not only immigration but also customs and quarantine facilities would need to be provided at the control point. Notwithstanding, the Administration would closely monitor relevant developments and revisit the above proposals as necessary. STH further pointed out that there was already a marine cargo terminal on the airport island to facilitate air/sea freight transshipment between HKIA and cities in the Pearl River Delta (PRD).

32. Ir Dr Raymond HO stressed the need for closer liaison with neighbouring airports on improvements to the utilization of airspace to minimize flight delays and maximize HKIA's handling capacity. STH responded that there was already a tripartite mechanism involving the Mainland and Macau authorities for working out airspace enhancements and improvements in the co-ordination of air traffic management by phases. As a result, a new transfer point had just been established at the west of Hong Kong to further improve traffic flow, and airspace would not limit HKIA's expansion. STH further assured members that more such improvements would be worked out in future in the above forum to maximize the utilization of airspace not only for HKIA but also for other airports in PRD, which faced similar airspace problems.

Logistics development

33. Mr Andrew LEUNG opined that with the pending commissioning of HZMB and XRL and the anticipated increase in cross-border freight activities, more logistics sites should be identified in addition to those around the Kwai Tsing area. Mr LEUNG expressed regret that the development of the Lantau Logistics Park had been delayed and concern that only a few hectares of land were made available for logistics development. He pointed out that small and medium-sized logistics companies which did not have sufficient capital to bid for permanent logistics sites could hardly compete with large operators. To address the above concern, he urged THB to expedite the provision of logistics sites.

34. STH responded that the Government had already identified and reserved a number of permanent sites in the Kwai Tsing area, with a total site area of 29 hectares, for the development of a logistics cluster by phases, and that 2.4 hectares of land for this purpose would be released in 2011. Moreover, sites were also leased out on a short-term tenancy basis of three to five years to meet different needs of operators, while efforts were being made to identify more permanent sites in Tuen Mun for logistics use in anticipation that the commissioning of the Tuen Mun-Chek Lap Kok Link would significantly shorten the travelling distance between HKIA and Tuen Mun. As to the Lantau Logistics Park, the trade had different views on the development of the Park having regard to the cost implications of the large-scale land reclamation works involved. The Government had therefore taken the opportunity to provide sites in Kwai Tsing and Tuen Mun as described above to cater for the need of the logistics industry.

35. Ms Miriam LAU pointed out that when compared with the granting of land for the development of industrial estates, the progress in making available land for the development of a logistics cluster in the Kwai Tsing area was too slow to support the development of Hong Kong into a high-value goods inventory management and regional distribution centre as supported by the Mainland, and to enable Hong Kong to capitalize on the opportunity brought about by the current shift of the global economic power from the west to the east.

36. STH responded that permanent sites in the Kwai Tsing area identified for inclusion into the total site area of 29 hectares for the development of a logistics cluster would be granted for the purpose as and when they were released from their current use. With the commissioning of Route 8 - Stonecutters Bridge, land held up in the past for conduct of the above road works had already been released to the market in phases for short to medium-term logistics port back-up use. THB would also continue to actively identify more sites for logistics use.

37. Mr Andrew LEUNG enquired about Government's manpower development plan to ensure sufficient manpower supply to keep up the efficiency of Hong Kong's logistics services. STH responded that the Administration recognized the importance of nurturing talents in order to underpin the continued development of Hong Kong's logistics and maritime sectors, and would join hands with the industry in supporting manpower development. Examples of which included cadet training on board ships. Separately, there were scholarship schemes for selected programmes at tertiary institutions, such as the Master of Science programme in International Shipping and Transport Logistics offered by the Hong Kong Polytechnic

University and the Master of Laws programme in Maritime and Transportation Law offered by the City University of Hong Kong.

Progress of infrastructure projects

38. The Chairman declared that both he and Ms Miriam LAU were members of the AA Board, and indicated support for policy initiatives of THB to develop the infrastructure required for economic development because timely implementation of such initiatives had enabled Hong Kong to enjoy substantial fiscal surplus despite the global economic downturn. He indicated hope for Hong Kong to continue to enjoy fiscal surplus to support its infrastructural development, and expressed concern about delays in taking forward the long-planned Hong Kong-Shenzhen Western Express Line (WEL). To expedite WEL's progress, he urged THB to bring up problems it faced in taking forward the project for discussion in LegCo for the early identification of solutions, and to work out the implementation timetables of WEL as well as other infrastructure projects early.

39. STH thanked the Chairman for supporting the infrastructure projects under THB's purview, and explained that THB was also keen to take them forward in a timely manner, especially as six out of the ten major infrastructure projects listed in the 2007-2008 Policy Address for priority attention in the coming five years were under THB's purview. In fact, it was hoped that three such projects so far held up because of judicial review could be implemented in mid-2012, and that LegCo Members could support the relevant financial proposals when they were submitted to LegCo for consideration. As to WEL, its previous study had shown that apart from enhancing the co-operation between the two airports in Hong Kong and Shenzhen, WEL could also serve as a more cost-effective multi-function cross-boundary railway to complement the development of the Mainland's Qianhai New District and the Hung Shui Kiu (HSK) New Development Area in Northwest New Territories. Time was therefore required to examine the development of the spur line of WEL to link up the above two areas. To ensure good planning to enable WEL to effectively perform its multi-functions, it was also important for its design to take into consideration the planning parameters for Qianhai and HSK. Notwithstanding, STH assured members that a review of WEL in the light of the above parameters had already been included in the review and update of the Railway Development Study 2000 to formulate a territory-wide railway development blueprint.

Other views and concerns

40. Miss Tanya CHAN highlighted public concerns that public

enjoyment of the waterfront of Kowloon East might be affected by the noise impacts of the proposed helipad there. STH explained that the helipad was still at the planning stage, and whether it would be located at the waterfront of Kowloon East would hinge on the results of various studies, and would also involve a public consultation and approval process. STH, however, pointed out that for better cost-effectiveness, the helipad was required in the long run for providing cross-border helicopter services for high-value visitors from the PRD region coming to Hong Kong to use the cruise terminal where border control facilities were available.

III Briefing by the Secretary for the Environment on relevant policy initiatives in the Chief Executive's 2011-2012 Policy Address

(LC Paper No. CB(1)41/11-12(01) — Administration's paper on policy initiatives of the Environment Bureau)

Development of environmental industries

41. Mr Andrew LEUNG considered the development of the environmental industry in Hong Kong necessary to meet the need for waste recovery, in particular construction waste, and expressed appreciation for the policy initiative of the Environment Bureau (ENB) to support the local environmental industry to participate in environmental exhibitions, trade missions and related events, with a view to promoting the development and business opportunities of the industry in the Mainland and overseas, and to help build local environmental brands.

42. The Secretary for the Environment (SEN) responded that as gathered from relevant trades and professionals, Hong Kong enjoyed an edge in developing the environmental industry, and the industry had in fact already expanded to cover such new areas as building energy efficiency, thereby creating many job opportunities for Hong Kong. To further capitalize on such advantages, ENB considered it necessary to provide greater support to the local environmental industry to participate in environmental exhibitions, trade missions and related events to bring further benefits to Hong Kong as follows –

- (a) achieving synergy between enterprises and the Government as exemplified by the success of the Eco Expo Asia and the forming of a Hong Kong delegation to participate in the China International Environmental Protection Exhibition & Conference;

- (b) further expanding the scope of the environmental industry with the involvement of such professionals as engineers, and professionals from the financial sector; and
 - (c) using Hong Kong as a platform for adoption of international green technology.
43. The Chairman called for the adoption of a policy-driven approach to promote the development of the environmental industry, and urged ENB to, where practicable, take development of the environmental industry into account when formulating policies, so as to promote environmental protection and economic development at the same time. He also sought details on ENB's plans to gear up communication with Members and the relevant trades to identify initiatives other than those already highlighted in the Policy Address for implementation.

44. SEN responded that in recognition that infrastructural investment could directly create job opportunities and promote industrial development, a resource-driven approach had long been adopted to promote the development of the environmental industry through infrastructural development. For example, construction of such waste disposal facilities as the sludge treatment facility, which would be commissioned by the end of 2013, and the Integrated Waste Management Facilities if funding could be secured. As to the proposal to adopt a policy-driven approach, ENB well recognized that policy initiatives could bring about changes in public habits and trade practices to enhance the sustainability of the waste recovery industry, and had taken initiatives in this regard with examples as follows –

- (a) the use in public works projects of paving blocks with recycled glass, which had directly benefitted relevant local environmental industries with factories producing this type of products emerging in the EcoPark;
- (b) the planned introduction of mandatory Producer Responsibility Scheme for waste electrical and electronic equipment and construction of a facility to handle the recovered equipment for the increased recovery of such equipment;
- (c) the planned initiative to promote green buildings, which would offer great potential for development of relevant environmental industries considering the great number of buildings in Hong Kong; and
- (d) the continuous listening and consideration of any views and

proposals from this Panel and the relevant trades on environmental initiatives that could help increase business opportunities.

Use of eco products and services

45. Mr Andrew LEUNG considered the procurement practice of the Government highlighted in paragraph 44(a) above desirable for its exemplary effect, and opined that more eco products should be identified for Government use. SEN responded that in the past one to two years, a working group headed by ENB had already been working with various departments to expand the range of green products and services for Government use, covering not only stationery but also construction materials etc. It was hoped that by setting an example and sharing experience, private companies would be encouraged to adopt green procurement practices. ENB was also hoping to make progress in introducing a scheme of energy-cum-carbon audits for existing building stocks, starting with Government buildings, to promote energy saving and reduce carbon emissions, 67% of which was generated by energy consumption, while 90% of electricity was used in buildings. In addition, the Council for Sustainable Development was also conducting a public engagement exercise to secure support of the public and the commercial sector for creating a low-carbon community through energy saving and emission reduction.

46. The Chairman pointed out that to save energy, the Economic Synergy and Business and Professionals Alliance had recently proposed that hind staircases of buildings should use lights with lighting control by occupancy sensor which activated lights only when people passed by. In response to the Chairman's suggestion to adopt the said technology in Government buildings and new buildings, SEN advised that the said device was in fact a standard provision in many new buildings and had already been used in some Government buildings. To save more energy however, changes in public habits and energy audits were essential, and it was hoped that both LegCo and the Government would take a lead in this regard.

IV Any other business

47. There being no other business, the meeting ended at 6:22 pm.