

立法會
Legislative Council

LC Paper No. CB(1)292/12-13
(These minutes have been seen
by the Administration)

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Panel on Commerce and Industry

Minutes of meeting
held on Monday, 29 October 2012, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex

Members present : Hon Vincent FANG Kang, SBS, JP (Chairman)
Dr Hon CHIANG Lai-wan, JP (Deputy Chairman)
Hon Emily LAU Wai-hing, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, SBS, JP
Dr Hon LAM Tai-fai, SBS, JP
Hon Steven HO Chun-yin
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, JP
Hon SIN Chung-kai, SBS, JP
Hon Martin LIAO Cheung-kong, JP
Ir Dr Hon LO Wai-kwok, BBS, MH, JP
Hon CHUNG Kwok-pan

Public officers attending : Agenda item III
Ms Carol YUEN, JP
Deputy Secretary for Commerce and Economic
Development (Commerce and Industry)1

Mrs Candy YEUNG
Principal Assistant Secretary for Commerce and
Economic Development (Commerce and Industry)¹

Agenda item IV

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

Mrs Alice CHEUNG CHIU Hoi-yue, JP
Deputy Secretary for Commerce and Economic
Development (Commerce and Industry)³

Mr TE Chi-wang
Acting Deputy Secretary for Constitutional &
Mainland Affairs ²

**Attendance by
invitation** : Agenda Item IV

Hong Kong Export Credit Insurance Corporation

Mr Ralph LAI
Commissioner

Ms Cynthia CHIN
General Manager

Clerk in attendance : Ms Annette LAM
Chief Council Secretary (1)³

Staff in attendance : Miss Rita YUNG
Council Secretary (1)³

Ms May LEUNG
Legislative Assistant (1)³

Late application for membership

The Chairman referred to Mr Dennis KWOK's letter dated 18 October 2012 regarding his late application for membership of the Panel. In accordance with Rule 23(c) of the House Rules, the Panel accepted Mr Dennis KWOK's late application.

I. Information paper issued since last meeting

(LC Paper No. CB(1)41/12-13(01) -- Administration's paper on The 15th Plenary of the Hong Kong/Guangdong Co-operation Joint Conference)

2. Members noted that the above paper had been issued since last meeting.

II. Date of next meeting and items for discussion

(LC Paper No. CB(1)57/12-13(01) -- List of outstanding items for discussion)

3. Members noted that the next regular Panel meeting would be held on 20 November 2012 at 2:30 pm to discuss the following items proposed by the Administration:

- (a) A report on the work of the Hong Kong Economic and Trade Offices (ETOs), the Hong Kong Economic, Trade and Cultural Office (Taiwan) (HKETCO) and the Office of the Government of the HKSAR in Beijing (BJO) in 2011-2012; and
- (b) Relocation and re-provisioning of information technology systems and facilities to the Trade and Industry Tower for the Trade and Industry Department.

4. In response to Mr WONG Ting-kwong's enquiry on 3(a), the Chairman advised that the Heads of all overseas and Mainland ETOs, the HKETCO and BJO would brief the Panel on their work at the next regular Panel meeting in November 2012.

5. Mr MA Fung-kwok suggested that the Administration should consider expanding the functions of overseas ETOs to include the promotion of cultural exchanges between Hong Kong and the countries/places under their respective purviews. Mr Andrew LEUNG opined that as policy matters pertaining to cultural development was under the purview of the Panel on Home Affairs, such matter should more appropriately be considered in a joint discussion with the Panel on Home Affairs. The Chairman noted Mr MA's and Mr LEUNG's views for future consideration.

III. Statutory Maximum Liability of the Hong Kong Export Credit Insurance Corporation

(LC Paper No. CB(1)57/12-13(02) -- Administration's paper on contingent liability of the Hong Kong Export Credit Insurance Corporation

LC Paper No. CB(1)57/12-13(03) -- Paper on Statutory Maximum Liability of the Hong Kong Export Credit Insurance Corporation prepared by the Legislative Council Secretariat (background brief))

Presentation by the Administration

6. At the invitation of the Chairman, Deputy Secretary for Commerce and Economic Development (Commerce and Industry)¹ (DSCED(CI)1) briefed members on the proposal to increase the cap on the contingent liability of the Hong Kong Export Credit Insurance Corporation (ECIC) from \$30 billion to \$40 billion, with a view to strengthening the ECIC's underwriting capacity having regard to the forecast growth of its insured business. Details of the proposal were set out in the Administration's paper (LC Paper No. CB(1)57/12-13(02)).

Discussion

7. Mr Jeffrey LAM declared that he was the ex-Chairman of the Advisory Board of the ECIC. Mr WONG Ting-kwong declared that he was an ex-member of the Advisory Board of the ECIC.

The cap on the ECIC's contingent liability

8. Mr Jeffrey LAM expressed support for the proposal to increase the cap on ECIC's contingent liability to \$40 billion so as to strengthen ECIC's underwriting capacity and provide enhanced export credit insurance protection for Hong Kong exporters, especially small and medium enterprises (SMEs), in the face of the economic uncertainties. Mr LAM noted that ECIC's contingent liability cap was doubled from \$15 billion to \$30 billion in 2009, and questioned whether a new cap of \$40 billion would be sufficient in view of the continuing uncertainties over the global economic environment and the anticipated rise in credit risks. Sharing a similar view, Mr WONG Ting-kwong considered a cap of \$40 billion might be too conservative, and doubted whether it would be sufficient to meet the forecast growth of ECIC's insured business.

9. DSCED(CI)1 responded that the ECIC adopted a prudent approach to business and was committed to its philosophy of maintaining long-term financial stability. ECIC's contingent liability cap had been increased several times over the years and was raised from \$15 billion to the current level of \$30 billion on 11 February 2009 having regard to its business needs and market situation. Commissioner, ECIC supplemented that the ECIC Ordinance (Cap. 1115) stipulated that the contingent liability of the ECIC under contracts of insurance (i.e. the amount for which the ECIC was contractually liable to indemnify policyholders in respect of its insurance policies) should not exceed the cap determined by the Legislative Council by resolution. As at 15 October 2012, the contingent liability of all ECIC's valid policies amounted to around 95% of the current ceiling. Having regard to the forecast growth of ECIC's insured business, the ECIC considered that the new cap of \$40 billion should be sufficient to meet its business growth over the next four years.

10. Mr WONG Ting-kwong, Mr SIN Chung-kai and Mr CHUNG Kwok-pan enquired about the claims statistics and loss ratios of the ECIC. Commissioner, ECIC advised that gross claims in 2011-2012 amounted to about \$65 million, representing a loss ratio (i.e. claims as a proportion of premiums received) of 23.8%. With the introduction of the enhanced measures and in the face of the volatile global economic environment, the ECIC expected that its loss ratio would increase to around 55% (i.e. gross claims of about \$145 million) in 2012-2013.

11. Noting that it was likely that ECIC's contingent liability would reach \$30 billion by end March 2013, Mr SIN Chung-kai expressed concern about the possible impact on ECIC's financial position in the event of a financial crisis of a similar scale giving rise to a surge in claims. Referring to the loss ratio of 88.6% during the financial crisis in 2008-2009, he enquired whether the ECIC had undertaken any stress test.

(Post-meeting note: The Administration had, after the Panel meeting, revised the figure of the loss ratio of the ECIC in 2008-2009 from 88.6% to 78.2%. The Administration's letter and the revised paper (LC Paper No. CB(1)57/12-13(02)) were issued to members vide LC Paper No. CB(1)163/12-13 on 13 November 2012.)

12. Commissioner, ECIC responded that ECIC had a prudent reserve policy and it was a standing ECIC policy to maintain adequate reserves to meet its obligations, including the contingent liability for any unknown catastrophic claims. A claims provision was set for each year to cover any unexpired risks at year-end so that it could meet its obligations as stipulated under section 12(3) of the ECIC Ordinance. In practice, the provision set aside was usually more than sufficient. If the provision was found to be insufficient, any claims expenditure would be absorbed by the financial results of the year the claims were paid, which might subsequently impact the retained earnings of the ECIC. In case the retained earnings were exhausted, the ECIC still had a contingency reserve, which was determined every year according to the level of business. As at 31 March 2012, the ECIC had a retained earning of \$136 million and a contingency reserve of \$1,314 million. He said that the proposal to raise the cap on ECIC's contingent liability should not involve actual Government expenditure until the ECIC had exhausted all its provisions and reserves. ECIC estimated that it would be able to achieve a balanced budget in the coming few years. In assessing its financial position, the ECIC had taken into account the estimated underwriting business and loss ratio in the coming few years. He highlighted that in view of the ECIC's prudent approach to business and its healthy financial condition, it was unlikely that there would be a need for the Government to provide funding to the ECIC to meet its liabilities, at least in the short to medium term. The ECIC would continue to conduct its business within bounds of prudent risk management and review its financial situation regularly.

13. Commissioner, ECIC supplemented that the ECIC reinsured its risks to limit its exposure to underwriting losses with a quota share treaty with annual renewal. To manage the risks and to ensure that the reinsurers had the capability to honour their shares of insurance liabilities, the ECIC had carefully selected a panel of eight reinsurers with good credit standing to join the programmes and regularly reviewed their credibility.

Enhanced measures to assist the export sector

14. While expressing support for raising ECIC's contingent liability cap, Mr Andrew LEUNG urged the ECIC to proactively introduce more measures to help the export industry tide over the current difficult trading environment. He opined that enhanced measures offering better protection for exporters would help boost exporters' confidence in taking orders from overseas buyers which in turn would put them in a better position in acquiring funding from the banks.

15. In response, DSCED(CI)1 advised that to strengthen the support for SMEs in the light of the global economic downturn, the ECIC had introduced a number of enhanced measures since end 2011 and early 2012. These measures included annual fee waiver to all existing and new policyholders, special policy terms and premium discount to small business exporters or policyholders, the provision of three free buyer credit checks for each Hong Kong exporters, the shortening of the processing time for credit limit applications for \$1 million or less to three days upon receipt of adequate information, and extending the policy cover to insure the contracts between Hong Kong exporters' Mainland or overseas non-wholly owned subsidiary companies (with ownership over 50%) and their buyers. Commissioner, ECIC added that the enhanced measures were well received by Hong Kong exporters. The ECIC would also regularly review the country/market ratings of other emerging markets. DSCED(CI)1 assured members that the ECIC would continue to closely monitor changes in the market situation and offer timely support for exporters to prudently manage their credit risks.

16. Dr LAM Tai-fai enquired about the processing time for credit limit applications and the ECIC's underwriting approach when processing credit limit applications from associated or subsidiary companies within the same group. Commissioner, ECIC replied that the ECIC pledged to process all credit limit applications within four days upon the receipt of adequate information or even shorter, within three days, in the case of small applications of \$1 million or less which would be handled with higher priority. The target turnaround time for small applications was adopted earlier as a measure to support exporters. As regards the handling of applications on

group buyers, Commissioner, ECIC advised that, in general, the ECIC would take into account not only the credit standing of the individual buyer but also the creditworthiness of the group as a whole, as well as the role of the buyer within the group and the likely support it would receive from the parent company.

17. While commending the ECIC on its efforts in helping the Hong Kong small business exporters, Mr WONG Ting-kwong enquired whether there would be room for lowering the insurance premium rates. He urged the ECIC to seriously consider the industry's call for lowering the premium rates of policies to ease the burden on Hong Kong exporters amidst the tough global economic environment. Commissioner, ECIC responded that the ECIC had offered premium rates reduction to policies with good business performance and satisfactory claim records, as well as commensurate rates for new policies with quality portfolios.

18. Dr LAM Tai-fai referred to the enhanced measure of annual policy fee waiver and enquired about the amount of fee waived for policies commencing between December 2011 and November 2012. Considering that the total capital and reserves of ECIC was as high as \$1,623 million as at 31 March 2012, Dr LAM strongly urged the ECIC to actively consider introducing more enhanced measures, such as extending the annual policy fee waiver for a few more years, and offering more free buyer credit assessments to each Hong Kong exporters, to strengthen the support for SMEs and help them capture new businesses.

19. In response, Commissioner, ECIC advised that presently, each policyholder was required to pay an annual policy fee of \$1,500 to cover the administration cost of the policy. The amount of annual policy fee waived for the 3 000 odd valid policies was about \$5 million. In view of the current global economic situation, the ECIC had announced on 26 October 2012 to further extend the annual policy fee waiver. Under the new measure, all existing and new policyholders with policy commencement date falling within December 2011 to November 2013 could benefit from the waiver of annual policy fee. On free buyer credit checks, he said that each Hong Kong exporter was provided with three free credit checks while policyholders of the ECIC were eligible for more than ten free credit assessment service of buyers each year.

20. Commissioner, ECIC further advised that ECIC's services covered not only exports and re-exports from Hong Kong, but also offshore shipments transported directly from suppliers to buyers without passing through Hong Kong. Tailor-made insurance facilities catering for the unique needs of exporters and different kinds of policies designed to meet the requirements of

specific service sectors were also offered. In view of increasing risks in overseas markets, the ECIC had proactively promoted its insurance cover on emerging markets and the protection on pre- and post-shipment risks to help exporters conduct safe credit trade in traditional markets and explore other emerging markets. He added that ECIC's insurance policies were generally accepted by the banking community as collateral for the discounting of export bills, thereby helping policyholders to obtain the banking facilities they need.

21. Mr CHUNG Kwok-pan noted with concern that the number of ECIC policyholders at around 3 000 was on the low side when compared to more than 10 000 exporters in Hong Kong. He queried whether it was because the products and services provided by the ECIC were less flexible than those offered by other service providers in the market. Referring to the huge reserves of ECIC and the relatively low claim ratio, he said that the ECIC should endeavour to further enhance its products and services so as to encourage more exporters to utilize ECIC's services.

22. In response, Commissioner, ECIC explained that while ECIC had acquired new policyholders every month, it might lose some accounts (usually SMEs) at the same time due to their cessation of operation or restructuring. The ECIC had also strengthened its co-operation over its bank policies with banks that bundled ECIC's cover with the banks' factoring services to provide insurance and export finance to Hong Kong exporters. He highlighted that the ECIC would continue to promote its services to Hong Kong exporters, especially SMEs, through diversified channels.

23. The Chairman concluded that the Panel supported in principle the Administration's proposal to raise ECIC's cap on the contingent liability to \$40 billion to strengthen ECIC's underwriting capacity and to offer better credit risk protection for the export sector.

IV. Trade relations between Hong Kong and Taiwan

(LC Paper No. CB(1)57/12-13(04) -- Administration's paper on trade relations between Hong Kong and Taiwan

LC Paper No. CB(1)57/12-13(05) -- Paper on the trade relations between Hong Kong and Taiwan prepared by the Legislative Council Secretariat (updated background brief))

Presentation by the Administration

24. At the invitation of the Chairman, Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (PSCIT) briefed members on the latest developments of the trade relations between Hong Kong and Taiwan, as set out in the Administration's paper (LC Paper No. CB(1)57/12-13(04)).

Discussion

Trade promotion

25. Dr LAM Tai-fai said that the business sector in Hong Kong had strongly called for the establishment of a comprehensive framework for economic and trade co-operation between Hong Kong and Taiwan, in particular an institutionalized arrangement similar to the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) signed between Hong Kong and the Mainland or the Cross-Straits Economic Co-operation Framework Agreement (ECFA) between Taiwan and the Mainland. Dr LAM enquired about the Administration's work and timetable in this respect.

26. PSCIT responded that the Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council (ECCPC) and the Hong Kong-Taiwan Business Co-operation Committee (BCC) had worked closely with their respective Taiwan counterparts, namely the Taiwan-Hong Kong Economic and Cultural Co-operation Council (THEC) and the Taiwan-Hong Kong Economic Co-operation Committee (ECC) to promote and deepen co-operation between the two places. Through the ECCPC – THEC platform and building on the co-operation between BCC and ECC during the past two years, both sides had established a good and effective mechanism for discussion and consultation. The business sectors of both sides had indicated support for Hong Kong and Taiwan to actively explore the establishment of a comprehensive framework for economic and trade co-operation. The Administration had expressed to the Taiwan side its wish to have a Hong Kong-Taiwan economic and trade co-operation arrangement similar to CEPA or ECFA. The Administration would continue to actively follow-up with the Taiwan side through the ECCPC – THEC platform with a view to starting substantive discussions as early as possible.

27. In response to Dr LAM Tai-fai's enquiry on whether the Chief Executive (CE) had any plan to visit Taiwan to promote closer co-operation and foster bilateral relations between the two places, PSCIT said he understood that the CE, with his primary focus on domestic matters, presently had no plan for visit outside Hong Kong.

28. Mr Martin LIAO noted that the third ECCPC - THEC joint meeting in Taipei on 25 September 2012 had agreed to take forward four areas of co-operation, namely environmental protection, heritage conservation, co-operation of the testing and certification industries and notification of unsafe consumer goods, as well as exchanges between the investment promotion agencies of the two places. Mr LIAO expressed concern whether the exchanges between the ECCPC and the THEC would bring about substantive economic benefits to the overall economy of Hong Kong.

29. PSCIT responded that the establishment of the ECCPC and the THEC had institutionalized the communication and liaison between Hong Kong and Taiwan, enabling the two places to deepen their mutual understanding and enhance their exchanges and co-operation. The ECCPC and the THEC had actively exchanged views and discussed a number of priority co-operation areas and had achieved good progress in different areas (including bank supervision, air services arrangements, education exchanges and co-operation and trade and commerce, etc). On investment promotion, Invest Hong Kong had been actively carrying out its investment promotion work targeting Taiwan and had also conducted investment promotion visits to a number of major Taiwan cities. The Administration would continue to liaise with the Taiwan side to map out the concrete details of further co-operation between the investment promotion agencies of both places.

30. Responding to Mr Martin LIAO's enquiry about the work of the Hong Kong Trade Development Council (HKTDC) in promoting trade between Hong Kong and Taiwan, PSCIT said that HKTDC had organized a wide variety of promotional activities to facilitate exchanges and to create business opportunities for Hong Kong and Taiwan enterprises. These included organizing exchange missions, arranging delegations of Taiwan companies to take part in international fairs and forums in Hong Kong, and organizing Hong Kong delegations to participate in trade fairs in Taiwan, etc. PSCIT undertook to provide details of HKTDC's promotional activities in the previous year to facilitate Hong Kong companies' entry into Taiwan market, and to encourage Taiwan brands to co-operate with Hong Kong companies and leverage on Hong Kong's services platform to explore business opportunities in both Mainland and overseas markets.

Admin

Bilateral trade between Hong Kong and Taiwan

31. Dr LAM Tai-fai said that the local business communities were concerned that the signing of ECFA between the Mainland and Taiwan in June 2010 might undermine the intermediary role of Hong Kong as the gateway to the Mainland for Taiwan enterprises. Dr LAM enquired whether the Administration had evaluated the impact of ECFA on Hong Kong's

intermediary role.

32. PSCIT responded that there was no sign of Hong Kong's intermediary role being undermined by ECFA. Hong Kong remained an important entrepot for Cross-Straits indirect trade, which had registered considerable growth, despite growing Cross-Straits direct trade amid improved Cross-Straits relations. In 2011, HK\$237.5 billion worth of trade between the Mainland and Taiwan was routed through Hong Kong, representing an increase of 11% over 2010.

33. The Deputy Chairman enquired about the details of the bilateral trade of merchandise between Hong Kong and Taiwan. PSCIT advised that in 2011, Hong Kong's major domestic export items to Taiwan were metalliferous ore and metal scrap; jewellery, goldsmiths' and silversmith's wares, and other articles of precious or semi-precious materials; and machinery specialized for particular industries. Hong Kong's major re-export items to Taiwan were electrical machinery, apparatus and appliances, and electrical parts thereof; non-ferrous metals; and telecommunications and sound recording and reproducing apparatus and equipment. Hong Kong's major import items from Taiwan were electrical machinery, apparatus and appliances, and electrical parts thereof; telecommunications and sound recording and reproducing apparatus and equipment; and plastics in primary forms.

34. Noting that the value of total trade in services between Hong Kong and Taiwan in 2010 stood at HK\$51.9 billion, Mr Martin LIAO sought details of the bilateral trade in services between the two places. PSCIT advised that Hong Kong's major services exports to Taiwan included transportation services, tourism services, commercial services and other trade-related services. Major services imports from Taiwan included tourism services and transportation services.

35. In response to Mr Martin LIAO's enquiry about the statistics on trade in services for 2011, PSCIT said that the statistics for 2011 were not yet available. As the collection of relevant data required a relatively long time, there was often a time lag in the compilation of statistics on trade in services. PSCIT supplemented that there was a steady growth in the value of total trade in services between Hong Kong and Taiwan from 2006 to 2010.

Tourism promotion

36. The Chairman noted that the Administration had introduced a new arrangement in September 2012 allowing Taiwan visitors to make entry registration free of charge prior to arrival on their own through the internet.

The Chairman enquired about the utilization of the new arrangement and whether the new initiative had brought about any increase in the number of Taiwan visitors to Hong Kong.

37. In response, PSCIT said that Taiwan was Hong Kong's second largest visitor source market. In 2011, around 2.15 million visitor arrivals from Taiwan were recorded. From January to August 2012, the number of visitor arrivals from Taiwan was around 1.39 million. To attract more Taiwan visitors, the Administration had implemented various measures over the past few years to facilitate tourists from Taiwan and to relax entry arrangements for people from Taiwan. Around 40 000 applications had been received under the new free-of-charge online Pre-arrival Registration arrangement since its introduction in September 2012. PSCIT supplemented that through the ECCPC – THEC platform, Hong Kong and Taiwan had signed an air services arrangement that provided for higher flight frequency, more destinations, and increased passenger and cargo capacities between the two places. Furthermore, the Taipei office of the Hong Kong Tourism Board (HKTB) which was formally established in Taiwan in September 2011 would help strengthen HKTB's co-operation with the local travel trade and media in promoting Hong Kong as a tourist destination for Taiwan. HKTB would step up its promotion work in the second-tier cities in Taiwan (such as Taichung and Kaohsiung) to attract more visitors.

Exchanges and co-operation of creative industries

38. On exchanges and co-operation between the creative industries sectors in Hong Kong and Taiwan, Mr Steven HO noted that delegations from various sectors of Hong Kong's creative industries, including the design, publishing and printing, and the film industry, had attended various events held in Taiwan in the past year. He asked whether Hong Kong had hosted any events to draw Taiwan creative industry delegations to Hong Kong, and also enquired about the Administration's long-term policies on promoting mutual exchanges.

39. PSCIT responded that the exchanges had been mutual. A full array of promotional activities had been organized to strengthen exchanges and collaboration between the creative industries of both places and to promote Hong Kong's animation, comics and filming industry, which were the flagship of Hong Kong's creative industries. For instance, in mid 2012, representatives from the Taiwan Design Center attended the Culture and Creative Forum organized by the Hong Kong Design Centre and relevant parties in Shenzhen. In November 2010, the Hong Kong Film Development Council (HKFDC) led a delegation of the local film industry to Taiwan for exchanges with their Taiwan counterparts and to promote Hong Kong's new

generation film directors and producers. Aside from these flagship creative industries, there were also exchanges in other areas. For instance, a delegation of the Hong Kong design sector took part in the 2011 International Design Alliance Congress in Taipei in October 2011. The local publishing and printing sector, sponsored by Create Hong Kong (Create HK), had set up a Hong Kong pavilion in the Taipei International Book exhibition in February 2012. The "Hong Kong Week 2012" to be held in Taipei included a series of cultural and creative programmes to showcase Hong Kong's culture and characteristics to Taiwan audience.

Hong Kong Economic, Trade and Cultural Office (Taiwan) (HKETCO)

40. The Deputy Chairman enquired whether the HKETCO was an official office of the Hong Kong Special Administrative Region (HKSAR) Government in Taiwan, and whether the HKETCO would provide assistance to Hong Kong residents in distress while in Taiwan.

41. PSCIT advised that the HKETCO was not an official body of the HKSAR Government in Taiwan. The major functions of the HKETCO were to foster closer co-operation and enhance exchanges between Hong Kong and Taiwan in the areas of economic relations, trade, investment, culture, tourism and other areas of mutual interests, adhering to the directions for future co-operation as agreed by the ECCPC and the THEC. PSCIT supplemented that the HKETCO would provide assistance to Hong Kong residents in Taiwan to the extent possible. Hong Kong residents in distress who needed assistance while outside Hong Kong could call the 24-hour Assistance to Hong Kong Residents hotline of the Immigration Department.

42. On Deputy Chairman's enquiry about the work plan of the HKETCO in the coming year, PSCIT advised that the Director of the HKETCO as well as Heads of the overseas/Mainland ETOs and BJO would brief the Panel on their work at the next regular Panel meeting in November 2012. PSCIT said that the Hong Kong-Taiwan Cultural Co-operation Committee, would organize the "Hong Kong Week 2012" in Taipei from 23 November to 2 December 2012. The event would showcase to Taiwan audience a series of cultural and creative programmes featuring the characteristics of Hong Kong, including the History of Hong Kong Comics Exhibition sponsored by the Home Affairs Bureau and Create HK as well as the Hong Kong Contemporary Film Showcase organized by the HKFDC.

43. Mr WONG Ting-kwong suggested exploring the feasibility of a duty visit to Taiwan. The Chairman noted the suggestion for future consideration.

V. Any other business

44. The Chairman referred to the Deputy Chairman's letter dated 29 October 2012 requesting the Panel to discuss the diversified development of industries in Hong Kong. The Deputy Chairman said that given the global economic uncertainty, Hong Kong should diversify its industries, including the manufacturing industry, so as to ensure sustained long-term economic development.

45. The Chairman informed members that there was only one proposed discussion item of "Research and development of Chinese medicines" for the regular Panel meeting to be held in December 2012. The Chairman suggested that the Administration be invited to brief the Panel on the initiatives in promoting diversified development of industries in Hong Kong in the December meeting. PSCIT took note of the suggestion, and said that the Administration would revert to the Secretariat as soon as practicable.

(Post-meeting note: The Deputy Chairman's letter of 29 October 2012 was tabled at the meeting and subsequently issued to members vide LC Paper No. CB(1)98/12-13(01) on 30 October 2012.)

(Post-meeting note: At the request of the Administration and with the concurrence of the Chairman, an item "Proposed adjustment to fees and charges under the purview of the Trade and Industry Department" was included in the agenda for the December meeting.)

46. There being no other business, the meeting ended at 4:00 pm.