

立法會
Legislative Council

LC Paper No. CB(1)434/12-13
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by the Administration)

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Panel on Commerce and Industry

Minutes of meeting
held on Tuesday, 20 November 2012, at 2:30 pm
in Conference Room 2 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
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
- Members absent** : Dr Hon LAM Tai-fai, SBS, JP
Hon Steven HO Chun-yin
Hon CHUNG Kwok-pan

**Public officers
attending**

: Agenda item IV

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

Ms Carol YUEN, JP
Deputy Secretary for Commerce and Economic
Development (Commerce and Industry) 1

Mr Donald TONG, JP
Commissioner for Economic and Trade Affairs,
USA

Ms Linda LAI, JP
Special Representative for Hong Kong Economic
and Trade Affairs to the European Union

Ms Sally WONG, JP
Principal Hong Kong Economic and Trade
Representative, Tokyo

Mr Michael STONE, JP
Permanent Representative of the Hong Kong
Special Administrative Region of China to the
World Trade Organization

Mrs Agnes ALLCOCK
Director-General, Hong Kong Economic and Trade
Affairs, London

Mr Bassanio SO
Director-General, Hong Kong Economic and Trade
Affairs, Washington

Mr Steve BARCLAY
Director, Hong Kong Economic and Trade Affairs,
Sydney

Mr Ivan LEE
Director, Hong Kong Economic and Trade Affairs,
Berlin

Miss Anita CHAN
Director, Hong Kong Economic and Trade Affairs,
New York

Mr Jeff LEUNG
Director, Hong Kong Economic and Trade Affairs,
San Francisco

Mr FONG Ngai
Director, Hong Kong Economic and Trade Affairs,
Singapore

Miss Gloria LO
Director, Hong Kong Economic and Trade Affairs,
Toronto

Miss Charmaine LEE
Deputy Secretary for Constitutional and Mainland
Affairs (2)

Miss Cathy CHU
Director, Beijing Office

Mr John LEUNG
Director, Hong Kong Economic, Trade and Cultural
Office (Taiwan)

Mr Alan CHU
Director, Hong Kong Economic and Trade Affairs,
Guangdong

Ms Joyce TAM
Director, Hong Kong Economic and Trade Affairs,
Shanghai

Mr Eddie POON
Director, Hong Kong Economic and Trade Affairs,
Chengdu

Agenda item V

Mr Brian LO, JP
Deputy Director-General of Trade and Industry
(Commercial Relations, Controls and Support)

Mr Raymond WU
Principal Assistant Secretary for Commerce and
Economic Development (Commerce and Industry)²

Mrs Louisa CHEUNG
Departmental Secretary, Trade and Industry
Department

Ms WONG Lam-ching
Senior Systems Manager, Trade and Industry
Department

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

Action

- I. Confirmation of minutes of meeting**
(LC Paper No. CB(1)136/12-13 -- Minutes of meeting held on
16 October 2012)

The minutes of the meeting held on 16 October 2012 were confirmed.

- II. Information paper issued since last meeting**
(LC Paper No. CB(1)123/12-13(01) -- Information on the financial
position of the Applied
Research Fund for the period
of 1 December 2011 to 29
February 2012)

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

III. Date of next meeting and items for discussion

(LC Paper No. CB(1)165/12-13(01) -- List of outstanding items for discussion

LC Paper No. CB(1)165/12-13(02) -- List of follow-up actions)

3. Members noted that the next regular Panel meeting would be held on 18 December 2012 at 2:30 pm to discuss the following items proposed by the Administration:

- (a) Research and development of Chinese medicines; and
- (b) Proposed adjustment to fees and charges under the purview of the Trade and Industry Department.

IV. Report on the work of the Hong Kong Economic and Trade Offices, the Hong Kong Economic, Trade and Cultural Office (Taiwan) and the Office of the Government of the HKSAR in Beijing in 2011-2012

(LC Paper No. CB(1)165/12-13(03) -- Administration's paper on reports on the work of the overseas Hong Kong Economic and Trade Offices provided by the Commerce and Economic Development Bureau

LC Paper No. CB(1)165/12-13(04) -- Administration's paper on report on the work of HKSAR Government's Offices in the Mainland and Taiwan provided by the Constitutional and Mainland Affairs Bureau

- LC Paper No. CB(1)165/12-13(05) -- Paper on the work of the Hong Kong Economic and Trade Offices, the Office of the Government of the HKSAR in Beijing, and the Hong Kong Economic, Trade and Cultural Office (Taiwan) prepared by the Legislative Council Secretariat (background brief))

Presentation by the Administration

4. At the invitation of the Chairman, Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (PSCIT) briefed members on the work of the 11 overseas Hong Kong Economic and Trade Offices (ETOs), and HKSAR Government's Offices in the Mainland and Taiwan in 2011-2012. PSCIT highlighted that in addition to promoting the economic and trade interests of Hong Kong, promoting Hong Kong's cultural distinction was also an important part of the work of the ETOs and HKSAR Government's Offices in the Mainland and Taiwan. Details of the work of these offices were set out in the Administration's papers (LC Paper Nos. CB(1)165/12-13(03) and (04)).

5. Permanent Representative of the Hong Kong Special Administrative Region of China to the World Trade Organization reported that the Eighth Ministerial Conference of the World Trade Organization (WTO) held in December 2011 acknowledged that the negotiations on the Doha Development Agenda were at an impasse. Nevertheless, Hong Kong, China, had participated actively in areas where progress was still possible. The Geneva ETO had also participated in negotiations on trade facilitation, the Information Technology Agreement, international services agreement, and in the work of regular WTO committees and bodies and the Trade Committee of the Organisation for Economic Cooperation and Development. He added that the Ninth Ministerial Conference would be held in Bali, Indonesia, in early December 2013, and the nomination and appointment of the new Director General of the WTO in September 2013 would also be a focus of attention in the coming year.

6. Commissioner for Economic and Trade Affairs, USA (C, USA) briefed members on the latest political and economic landscape of the United States of America (US), in the light of the 2012 presidential election and the congressional elections, as well as the risks of the "fiscal cliff" which might lead to another recession should the Congress and the US Administration fail

to resolve the issues on federal spending cuts and tax hikes in time before the end of 2012. He said that the Washington ETO would closely monitor new policy initiatives by the current and the next terms of the US Administration and the Congress, and assess the potential implications for Hong Kong.

7. Special Representative for Hong Kong Economic and Trade Affairs to the European Union briefed members on the recent economic situation of the European Union (EU), in particular the Eurozone sovereign debt crisis in Greece, Portugal, Ireland, Spain and Italy, as well as measures taken by the European Commission, European Central Bank, International Monetary Fund and the 27 EU member states to tackle the crisis.

8. Director, Beijing Office, reported that the main functions of the Beijing Office and the three Mainland ETOs included promoting economic and trade co-operation and relations between the HKSAR Government and their respective provinces/municipalities/regions; seeking to attract investment into Hong Kong; promoting Hong Kong's image on the Mainland, and providing appropriate assistance to Hong Kong residents in need of help in the Mainland. She said that the Mainland Offices monitored closely the major policies and laws in the Mainland which might have effects on the business development and operation of Hong Kong's enterprises, and would update the HKSAR Government accordingly.

9. Director, Hong Kong Economic and Trade Affairs, Singapore, briefed members on the latest economic situation of the 10 member countries of the Association of Southeast Asian Nations (ASEAN). He highlighted that ASEAN taken en bloc, had become Hong Kong's second largest trading partner since 2010. In addition, more investment from Hong Kong was going into the emerging markets within ASEAN in view of the low cost base and huge growth potential. The Singapore ETO would continue to promote bilateral economic and trade relations, as well as cultural exchanges, between Hong Kong and ASEAN. Efforts in promoting Hong Kong as Asia's business hub, financial centre and tourist destination would be stepped up.

10. Principal Hong Kong Economic and Trade Representative, Tokyo, briefed members on the latest political and economic situation of Japan and the Republic of Korea (Korea). She added that the Tokyo ETO would closely monitor the developments of the general election in Japan and the presidential election in Korea in December 2012, and the potential implications for Hong Kong.

11. Director, Hong Kong Economic, Trade and Cultural Office (Taiwan) (Director, HKETCO), briefed members on the latest economic situation of Taiwan and the developments of the trade relations between Hong Kong and Taiwan. He added that the HKETCO would assist the Hong Kong-Taiwan

Cultural Co-operation Committee under the Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council to organize "Hong Kong Week 2012" during 23 November to 2 December 2012 to promote Hong Kong's performing arts and culture to the Taiwan audience.

Discussion

Mainland market

12. Mr Jeffrey LAM expressed appreciation for the work of the overseas ETOs, and HKSAR Government's Offices in the Mainland and Taiwan. He pointed out that despite the tough economic environment in many foreign countries, Mainland's economy remained on a steady growth path. He enquired about the work of the Mainland ETOs in assisting Hong Kong enterprises to explore and develop the Mainland market.

13. Director, Hong Kong Economic and Trade Affairs, Chengdu advised that with a view to providing support to Hong Kong enterprises operating or intending to operate in the region covered, the Chengdu ETO had organized and participated in various economic and trade activities such as exchanges and visits, and had maintained close liaison and exchange with the relevant government departments and public bodies. Besides, the Chengdu ETO had disseminated information on the latest economic and trade policies in the region to the relevant HKSAR government departments, chambers of commerce and enterprises in Hong Kong through website and monthly newsletters. In January 2012, the Chengdu ETO co-organized the "Chongqing-Hong Kong Week 2012" with Chongqing Municipal People's Government, during which a series of economic, trade and cultural events were held.

14. Mr WONG Ting-kwong enquired about the assistance rendered to Hong Kong residents and enterprises in the Mainland by the Guangdong ETO. Director, Hong Kong Economic and Trade Affairs, Guangdong, responded that between June 2011 and September 2012, the Guangdong ETO had received a total of 307 requests for assistance from Hong Kong residents in distress in the Mainland, involving cases relating to loss of travel documents or monies, personal safety, traffic accidents, injury, sickness, the decease of relatives in the Mainland, or detention of Hong Kong residents in the Mainland. The Guangdong ETO had also handled a total of 50 cases on economic and trade-related matters and 58 cases on real estate, land compensation and other issues, by making referrals to and following up on the cases with the relevant Mainland authorities.

Taiwan market

15. Mr WONG Ting-kwong enquired whether the newly set up HKETCO had encountered any problems in its operation since its inception. Director, HKETCO responded that the HKETCO had been running smoothly since it started operation in December 2011. The HKETCO had been establishing contacts with the Taiwan authorities and representatives of various sectors, including the Directors of the Taiwan-Hong Kong Economic and Cultural Co-operation Council, senior personnel of relevant Taiwan authorities, heads of city and county governments, commercial and industry organizations, cultural organizations, academic and research institutions, the media, Hong Kong companies investing in Taiwan, associations of Hong Kong residents, students from Hong Kong studying in Taiwan, etc. The HKETCO would continue to keep abreast of the legal system, policy and initiatives of the Taiwan authorities, and to strengthen links with various sectors in Taiwan.

ASEAN market

16. Referring to the vast growth potential of ASEAN, Mr Andrew LEUNG enquired about new business opportunities in the ASEAN market, and the work of the Singapore ETO in assisting the small and medium enterprises (SMEs) in Hong Kong to tap into the ASEAN market. Sharing a similar concern, the Chairman asked whether additional resources would be allocated to the Singapore ETO in order to strengthen the efforts in exploring and tapping the emerging markets in ASEAN.

17. In response, Director, Hong Kong Economic and Trade Affairs, Singapore advised that the Singapore ETO had continued its efforts to maintain and enhance commercial relations with Hong Kong's traditional markets (including Singapore, Thailand and Malaysia), and to venture into the emerging economies within ASEAN, such as Indonesia, Vietnam, Cambodia, Laos and Myanmar. He highlighted that Indonesia, with a population of about 250 million, representing some 40% of the total population of the 10 ASEAN member countries, had been registering a steady economic growth on the back of a fast-expanding middle class which offered huge growth potential and great business opportunities for Hong Kong enterprises. In March 2012, the Hong Kong Trade Development Council (HKTDC) had organized the Lifestyle Expo in Jakarta, where exhibitors from Hong Kong showcased their quality lifestyle products. In collaboration with partner organizations including the Hong Kong Tourism Board and the HKTDC, the Singapore ETO had organized a Hong Kong Festival 2012 in October/November 2012 featuring a variety of events, ranging from food, drama, music, business to festive sports. The Singapore ETO had embarked on new efforts to assist Hong Kong enterprises to explore and tap into the emerging markets in ASEAN and would continue to enhance Hong Kong's

presence in the ASEAN region. In response to the Chairman's concern, PSCIT said that additional resources would be considered for the Singapore ETO in this respect.

18. Ir Dr LO Wai-kwok said that many Hong Kong enterprises were interested in investing in the emerging markets within ASEAN in view of the low cost base and huge growth potential. He enquired whether the Administration would seriously consider assisting Hong Kong enterprises in investing in those markets to develop industrial parks, so as to enable Hong Kong manufacturers to maintain their global competitiveness.

19. PSCIT responded that to support Hong Kong enterprises in expanding overseas, the Administration would continue to organize, through HKTDC, various promotional activities, such as trade missions, business seminars, exhibitions, and visits, to enable enterprises to better understand the investment environment and development potentials of the emerging markets. The Administration would be pleased to convey Hong Kong enterprises' concrete proposals for setting up an overseas industrial park to the relevant authorities for consideration.

20. Ir Dr LO Wai-kwok enquired about the Administration's work and timetable in respect of the lobbying for ASEAN's support for Hong Kong's accession to the China-ASEAN Free Trade Area (CAFTA). PSCIT advised that the Central People's Government had continued to support Hong Kong in actively participating in multilateral and regional economic co-operation in East Asia and had been exploring the possibility for Hong Kong to join the free trade agreements already signed by the Mainland. Hong Kong had submitted a formal request in November 2011 for joining CAFTA. Since then, the Administration had been lobbying ASEAN members at different levels to explain the potential benefits of Hong Kong's joining CAFTA. ASEAN member countries had discussed Hong Kong's proposed accession at the ASEAN Economic Ministers' meeting held in August 2012 in Cambodia, and agreed to give positive consideration to Hong Kong's proposed accession, noting the overall economic benefits that Hong Kong's joining CAFTA would bring to ASEAN, China and Hong Kong. As the next step, ASEAN would conduct domestic consultations and look into the implications of Hong Kong's proposed accession.

Japan market

21. Ms Emily LAU enquired whether there was any adverse effect on Hong Kong's economic and trade relations or cultural and tourism exchange with Japan amid the recent tense Sino-Japanese relations. She also enquired about the work of the Tokyo ETO in tourism promotion.

22. Principal Hong Kong Economic and Trade Representative, Tokyo advised that the number of visitor arrivals from Japan in September 2012 had recorded a 9% decrease over September 2011. The Tokyo ETO would continue to publicize Hong Kong as an international business and financial centre with a vibrant and free economy, and a diverse and law-abiding community that enjoyed a high degree of autonomy under the "One Country, Two Systems" principle. A newspaper supplement would be published with Japanese people sharing their personal experience of Hong Kong. The tourism industry professionals in Japan would also be invited to visit Hong Kong and see the latest situation for themselves, thereby facilitating the promotion of tourism to Hong Kong among the Japanese audience.

European market

23. Mr Andrew LEUNG enquired whether the Administration would seek to enter into more free trade agreements (FTAs) with Hong Kong's trading partners in Europe so that Hong Kong's goods and services might gain access to external markets under more favourable conditions. He also asked about the business and investment opportunities of the European market.

24. Special Representative for Hong Kong Economic and Trade Affairs to the European Union responded that Hong Kong had practised free trade in both merchandise and services all along, and did not maintain any barriers to trade. The Brussels ETO had approached various European countries but they were not very keen to enter into negotiation on FTA with Hong Kong. She further advised that the emerging markets in Europe such as Latvia and Lithuania were expected to have an economic growth of over 3% in 2013. There were growing business and investment opportunities for Hong Kong enterprises in the emerging markets in Europe although some had smaller markets compared with the traditional European markets. In addition, the traditional markets in Europe welcomed inward investment from Hong Kong amid their weak economic situation.

25. Mr Martin LIAO enquired about the progress of the discussion by the EU on further integration into a fiscal union. He also expressed concern whether the European countries would move towards socialism amid the poor economic situation.

26. Director, Hong Kong Economic and Trade Affairs, Berlin, said that some progress had been made in the direction of closer co-ordination in EU member states' fiscal policy. The Eurozone countries had all signed the fiscal compact which would strengthen fiscal discipline in terms of public debt and budget deficit as a percentage of Gross Domestic Product. He also mentioned other initiatives in strengthening EU economic governance such as the agreement on a timetable for a banking union, and the establishment of

the permanent European Stability Mechanism. As regards Mr Martin LIAO's concern about the issue of socialism in Europe, Director, Hong Kong Economic and Trade Affairs, Berlin said that the Berlin ETO would keep in view the development of the national election in Germany in September 2013.

US market

27. Mr Jeffrey LAM said that the SMEs in Hong Kong were concerned that the continuing uncertainties over the global economic environment might lead to resurgence of protectionism in the US and European countries. He called on the Administration to remain vigilant against this problem.

28. In response, C, USA advised that the sluggish exports to the US were mainly due to the decrease in consumption and a weakening of demand in the US. The Washington ETO would continue to keep a close eye on the situation and report any significant developments in the US which might potentially affect the trade and economic relationship between the US and its key trading partners, including Hong Kong. These issues included, among others, proposed legislation to enhance enforcement of US trade laws; bilateral, regional and multilateral trade negotiations involving the US and its trading partners; as well as major trade disputes involving the US and Mainland China. The Washington ETO would also liaise closely with the US Administration, the Congress and the business community with a view to gaining an updated understanding of the developments and their impacts on Hong Kong.

WTO

29. Referring to the negotiations on the improvement and clarification of the Dispute Settlement Understanding of the WTO, Mr Martin LIAO asked whether issues on anti-dumping control and anti-subsidy acts were discussed. Permanent Representative of the Hong Kong Special Administrative Region of China to the WTO advised that anti-dumping agreement and subsidies and countervailing measures were covered in the Dispute Settlement Mechanism of the WTO. The Geneva ETO took part in the negotiations on the improvement of these two areas but unfortunately not much progress had been made at the moment.

Setting up new ETO in emerging markets

30. The Chairman, Mr Jeffrey LAM and Mr Martin LIAO enquired whether the Administration would consider setting up new ETOs in the emerging markets in order to advance Hong Kong's economic and trade relations with the emerging economies in South America, Europe and

ASEAN.

31. PSCIT responded that the existing ETOs had embarked on new efforts to explore and tap into the emerging markets, such as Turkey, Russia, Latin America and ASEAN member countries. As the setting up of an ETO involved large amount of investment and resources, the Administration would carefully assess the need for setting up new ETOs, taking into account the development of Hong Kong's economic and trade relations with these emerging economies.

Other concerns

32. Mr MA Fung-kwok was pleased to note that the overseas and Mainland ETOs had organized various events to promote Hong Kong's cultural achievements, and enquired about the response of the audience and participants to those events. He also expressed concern whether additional manpower and financial resources were allocated to the ETOs specifically for the promotion of cultural exchanges between Hong Kong and the countries/places under their respective purviews. Suggestion was made to rename the overseas ETOs to Economic, Trade and Cultural Office to further highlight their functions in cultural promotion.

33. In response, PSCIT said that cultural events organized by the ETOs were generally well received by the audience and participants. In particular, the Hong Kong Film Festival held in different cities had received good response from the audience. He supplemented that the promotion of cultural exchanges had all along been one of the main functions of all ETOs, and no additional manpower was deployed for the promotion of cultural exchange. Discussions would be held between the Heads of the ETOs and the Home Affairs Bureau on furthering the overseas promotion of Hong Kong's cultural achievements. PSCIT further said that the naming of the overseas ETOs was governed by the law or relevant requirements in the respective countries/cities.

34. Mr Dennis KWOK noted that the Toronto ETO had organized a series of public relation and promotional activities to highlight the continuous developments and achievements of Hong Kong under the "One Country, Two Systems" principle implemented through the Basic Law. He enquired whether other overseas ETOs had also promoted the successful implementation of the "One Country, Two Systems" principle and the sound legal system in Hong Kong in their respective countries and cities.

35. PSCIT and C, USA responded that all overseas ETOs would make use of every opportunity to promote the principle of "One Country, Two Systems", new business opportunities and strengths of Hong Kong, including the sound legal and judicial system. C, USA supplemented that the Washington ETO engaged its interlocutors on a regular basis to update them on various developments in Hong Kong. He also made regular trips to various cities across the US to call on senior state and local government officials, state legislature leaders, business leaders, members of the academia and think-tanks. Every opportunity was taken at such trips to conduct talks at chambers of commerce and universities, and also to give media interviews to explain Hong Kong's latest developments, including to promote Hong Kong as an arbitration and mediation centre in Asia.

36. The Deputy Chairman said that the commerce and industry sector hoped to receive more updated information on market situation and business opportunities of the overseas markets. She enquired how the Administration could assist Hong Kong enterprises in this respect. She also asked about the Administration's work in promoting in overseas markets the six industries where Hong Kong enjoyed clear advantages.

37. In response, PSCIT said that different Government/public bodies had different scope of responsibilities in respect of trade and investment promotion work. The ETOs were the official overseas representatives of the HKSAR Government. Through liaising mainly with overseas Government bodies, ETOs were tasked to promote the economic and trade links between Hong Kong and the overseas countries/cities. On the other hand, HKTDC was the global marketing arm for Hong Kong-based traders, manufacturers and service providers, and would provide updated business and market information to Hong Kong enterprises.

38. On the promotion of the six industries where Hong Kong enjoyed clear advantages, PSCIT advised that The ETOs had been making every effort to promote the traditional pillar industries as well as the new industries in Hong Kong. For example, the ETOs had held exhibitions and participated in career seminars/career fairs at major universities overseas to promote Hong Kong's advantages as an international education hub and also as a science and technology hub of China. The Investment Promotion Unit of the overseas ETOs also strived to attract international research and development institutions to invest in Hong Kong.

39. Mr Charles MOK called on the ETOs, in collaboration with HKTDC, to step up efforts in providing business-matching services to connect Hong Kong enterprises, in particular service providers, with potential partners or chambers of commerce overseas, so as to assist Hong Kong enterprises to explore more business opportunities in overseas markets. The

Administration took note of Mr MOK's suggestion.

40. Ms Emily LAU called on the ETOs to provide assistance to delegation of the Legislative Council (LegCo) on overseas duty visits to the countries/cities under their respective purview, such as assisting the LegCo Secretariat in background information research, making logistics arrangements such as booking accommodation and transportation, and in drawing up the visit programme including lining up meetings with relevant organizations or individuals as requested by the delegation. The Administration took note of Ms LAU's views.

V. Relocation and re-provisioning of information technology systems and facilities to the Trade and Industry Tower for the Trade and Industry Department

(LC Paper No. CB(1)165/12-13(06) -- Administration's paper on relocation and re-provisioning of information technology systems and facilities to the Trade and Industry Tower for the Trade and Industry Department)

Presentation by the Administration

41. At the invitation of the Chairman, Deputy Director-General of Trade and Industry (Commercial Relations, Controls, and Support) (DDGTI) briefed members on the proposed relocation and re-provisioning of information technology (IT) systems and facilities of the Trade and Industry Department (TID) to tie in with its relocation to the Trade and Industry Tower (TI Tower), a new joint-user government office building at the Kai Tak Development Area. Details of the proposal were set out in the Administration's paper (LC Paper No. CB(1)165/12-13(06)).

Discussion

Enhancing the IT infrastructure and IT standards

42. Noting that the proposed enhanced IT infrastructure of the TID would adopt the latest IT standards such as Internet Protocol (version 6) (IPv6), Mr Charles MOK enquired how the proposed enhancement and the use of the latest technology would benefit and cater for the demand from small and medium enterprises and the public.

43. DDGTI responded that to support the business activities of the TID, a total of 32 IT application systems had been developed over the years to provide on-line licence application and enquiry services to the public as well as office automation services for TID staff. A number of websites with interactive features providing various e-service functionality were also set up. DDGTI said that the IPv6 was critical to the continued growth of the Internet as a platform for more innovative and interactive communications. As a result, the upgraded IT infrastructure would better support the use of multi-media information, and improve the communication with the trading community via multi-media channels.

44. Mr SIN Chung-kai enquired whether the Administration would consider adopting cloud technology in the enhanced IT infrastructure and the user interface of TID's application systems and developing user-friendly mobile applications so as to facilitate the use of TID's e-services by the trading community and the public.

45. In response, DDGTI said that some of TID's IT systems were required to process sensitive information such as applications for import/export licence for strategic commodities, and business information of registered users of the TID's online services. When designing the new systems, the TID would consider the possibility of adopting the latest technology, including the cloud technology where appropriate, taking into account data security requirements.

46. Mr Charles MOK noted the Administration's proposal to consolidate the five scattered server rooms in the existing TID Tower in Mong Kok into two in the new TI Tower. He enquired whether the Administration had considered other options such as re-locating all the servers to the Central Computer Centre of the Office of the Government Chief Information Officer (OGCIO) or commercial data centres in the market.

47. DDGTI responded that the Administration had explored the feasibility of other alternatives. Having regard to the requirements for data security and reliability of service delivery, the Administration considered it desirable to set up server rooms in the new TI Tower to house all TID's IT application systems. He said that the proposed arrangements which had the support of the OGCIO would enhance operational efficiency and improve server management.

Arrangements to minimize service interruption

48. Mr WONG Ting-kwong expressed concern about possible service disruption during the testing and the relocation of IT systems and facilities to the new TI Tower. He called on the Administration to give advance notice to the trading community and the public should there be any service suspension. Sharing a similar concern, the Chairman enquired whether it would be feasible to arrange a parallel run of both the existing and the new systems during testing and relocation, so as to avoid service interruption.

49. In response, DDGTI said that the TID had drawn up a phased plan for relocation and re-provisioning to minimize as much as possible any service interruption to the department itself, the trading community and the public during relocation. In this regard, the relocation of IT systems and facilities would be carried out in two batches to ensure successful completion of system testing prior to the actual relocation of the primary servers. DDGTI explained that when the network and security infrastructure in the new TI Tower was ready, the secondary servers of application systems together with an additional Storage Area Network would be relocated to the TI Tower for testing first, so as to ensure that the new network and security infrastructure could work seamlessly with the application systems. Upon successful completion of the necessary testing, relocation of the primary servers would coincide with the designated office removal date. In case any of the primary servers could not resume service after the relocation, the corresponding secondary server which had been tested successfully would take up the production service immediately to ensure operational continuity and smooth delivery of IT services after the office relocation.

50. DDGTI further said that it was likely that services would need to be temporarily suspended during system testing and the actual relocation of the IT systems and facilities. To reduce service interruption to the minimal, system testing and relocation would be carried out during weekends and every effort would be made to compress the timeframe for testing and relocation. DDGTI assured members that measures would be put in place to ensure system reliability, service resumption as scheduled, and data security during the transition. The TID would monitor the progress of implementation of the relocation project, and inform the trading community and the public in advance through various channels nearer the date of system testing and the actual office removal.

Other concerns

51. Mr Charles MOK expressed concern about data privacy and security and enquired about impact assessment in this respect. DDGTI replied that according to the feasibility study/technical study on TID's IT infrastructure, while the network data security, the security infrastructure and the application systems of the TID fully complied with relevant government regulations and guidelines, the possibility of loss of data due to the physical movement of some 40 units of data hard disks during office removal could not be totally precluded. In light of the potential security challenges, it was recommended that new measures of data encryption technology be employed in the IT systems to enhance application data security thereby better protecting the interest of the trading community.

52. Mr Dennis KWOK enquired about the proposed future use of the vacated TID Tower in Mong Kok after government departments currently housed in it had been relocated to the new TI Tower. DDGTI responded that the office premises vacated by the TID would be returned to the Government Property Agency (GPA), which would determine the future use of the TID Tower. Mr Dennis KWOK requested a written reply in this respect from the GPA. The Chairman instructed the Secretariat to relay Mr KWOK's request to the Administration.

(Post-meeting note: The Secretariat had issued a letter to the Administration on 22 November 2012 relaying Mr KWOK's request for a written reply on the future use of the vacated TID Tower. The Administration's response was circulated to members vide LC Paper No. CB(1)195/12-13(01) on 6 December 2012.)

Summing up

53. The Chairman concluded that the Panel supported in principle the proposed relocation and re-provisioning of TID's IT systems and facilities to the new TI Tower. He called on the Administration to make the necessary arrangements to ensure data security and to minimize service interruption to the trading community and the public during system testing and relocation.

VI. Any other business

54. There being no other business, the meeting ended at 4:26 pm.