

LC Paper No. CB(1)694/12-13 (These minutes have been seen by the Administration)

Ref : CB1/PL/CI/1

Panel on Commerce and Industry

Minutes of meeting held on Wednesday, 23 January 2013, at 9:00 am in Conference Room 1 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 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 attending :	Hon WONG Kwok-hing, MH Hon CHAN Yuen-han, SBS, JP Hon TANG Ka-piu
Members absent :	Dr Hon LAM Tai-fai, SBS, JP Hon Steven HO Chun-yin Hon CHUNG Kwok-pan

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: Agenda item IV

Public officers attending

Commerce and Economic Development Bureau

Mr Gregory SO, GBS, JP Secretary for Commerce and Economic Development

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

Miss Susie HO, JP Permanent Secretary for Commerce and Economic Development (Communications and Technology)

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

Mr David WONG Deputy Secretary for Commerce and Economic Development (Commerce and Industry) 2

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

Miss Janet WONG, JP Commissioner for Innovation and Technology

Mr Kenneth MAK, JP Director-General of Trade and Industry

Constitutional and Mainland Affairs Bureau

Mr Raymond TAM Chi-yuen, GBS, JP Secretary for Constitutional and Mainland Affairs

Ms CHANG King-yiu, JP Permanent Secretary for Constitutional and Mainland Affairs

Mr LAU Kong-wah, JP						
Under	Secretary	for	Constitutional	and	Mainland	
Affairs	1					

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

Mr Daniel CHENG Chung-wai, JP Deputy Secretary for Constitutional and Mainland Affairs (3)

Agenda Item V

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 Simon GALPIN Director-General of Investment Promotion

Miss Victoria TANG Associate Director-General of Investment Promotion (3)

- 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)434/12-13 -- Minutes of meeting held on 20 November 2012)

The minutes of the meeting held on 20 November 2012 were confirmed.

II. Information paper issued since last meeting

2. Members noted that no paper had been issued since last meeting held on 18 December 2012.

III. Date of next meeting and items for discussion (LC Paper No. CB(1)436/12-13(01) -- List of outstanding items for discussion LC Paper No. CB(1)436/12-13(02) -- List of follow-up actions)

Members noted that the next regular Panel meeting would be held on 3. 19 February 2013 at 2:30 pm to discuss the following items proposed by the Administration:

- Review of the Research and Development Cash Rebate Scheme; (a) and
- Review of the patent system in Hong Kong. (b)
- Briefing on relevant policy initiatives featuring in the Chief IV. **Executive's 2013 Policy Address** (LC Paper No. CB(1)436/12-13(03) -- Administration's paper on 2013 Policy Address — Policy Initiatives of Commerce, Industry and Tourism Branch and Innovation and Technology Commission, Commerce and Economic **Development Bureau**

LC Paper No. CB(1)436/12-13(04)	Administration's paper on 2013 Policy Address — Policy Initiatives of Constitutional and Mainland Affairs Bureau in relation to Mainland and Taiwan co-operation
LC Paper No. CB(1)459/12-13(01) (Chinese version only, tabled at the meeting and subsequently issued on 23 January 2013)	Speaking note of the Secretary for Commerce and Economic Development
LC Paper No. CB(1)459/12-13(02) (Chinese version only, tabled at the meeting and subsequently issued on 23 January 2013)	Speaking note of the Secretary for Constitutional and Mainland Affairs)

Relevant paper

Address by the Chief Executive at the Legislative Council meeting on 16 January 2013 -- "Seek Change, Maintain Stability, Serve the People with Pragmatism"

Presentation by the Administration

4. At the invitation of the Chairman, <u>Secretary for Commerce and</u> <u>Economic Development</u> (SCED) briefed members on the policy initiatives related to the Commerce, Industry and Tourism Branch and Innovation and Technology Commission (ITC) of the Commerce and Economic Development Bureau (CEDB) featured in the 2013 Policy Address. Details of the policy initiatives were set out in the Administration's paper (LC Paper No. CB(1)436/12-13(03)) and SCED's speaking note (LC Paper No. CB(1)459/12-13(01)).

5. At the invitation of the Chairman, <u>Secretary for Constitutional and</u> <u>Mainland Affairs</u> (SCMA) briefed members on the policy initiatives of the Constitutional and Mainland Affairs Bureau (CMAB) in relation to Mainland and Taiwan co-operation covered in the 2013 Policy Address. Details of the policy initiatives were set out in the Administration's paper (LC Paper No. CB(1)436/12-13(04) and SCMA's speaking note (LC Paper No. CB(1)459/12-13(02)).

Discussion

Development of industries

6. <u>Mr SIN Chung-kai</u> enquired about the Administration's stance on the development of the six industries where Hong Kong enjoyed clear advantages (the six industries), the promotion of which were pledged by the previous-term Government in the 2009-2010 Policy Address. In particular, <u>Mr SIN Chung-kai</u>, <u>Mr MA Fung-kwok</u>, <u>Ir Dr LO Wai-kwok</u> and <u>Miss CHAN Yuen-han</u> expressed concerns about the development of educational services, medical services, environmental industry, as well as cultural and creative industries.

7. <u>SCED</u> responded that in promoting the six industries over the past four years, the Administration had identified certain issues that needed to be addressed. For example, the medical sector was facing manpower shortage, and the public was divided as to whether education services should be regarded as an industry. The need to meet local demand also clashed with the need to promote the growth of these two industries. As announced by the Chief Executive (CE), an Economic Development Commission (EDC) would be established to provide visionary direction and advice to the Government on the overall industrial development strategies to enhance long-term development, and identify industries and growth sectors that would present opportunities for Hong Kong's further economic development.

8. <u>SCED</u> supplemented that to further facilitate the development of the creative industries, the Administration would inject an additional \$300 million into the CreateSmart Initiative. To nurture a new generation of film production talents, Create Hong Kong would launch a First Feature Film Initiative to identify new talents through a competition of screenplay and production proposals. The Administration would update the Panel on Information Technology and Broadcasting on these initiatives accordingly.

9. On environmental industry, <u>Commissioner for Innovation and</u> <u>Technology</u> (CIT) advised that the Hong Kong Science Park (HKSP) was formally designated as the Hong Kong National High-tech Industrialization (Partner) Base for Green Technology in November 2011. Since then, the number of tenants engaging in green technology had increased by 16%. Phase 3 of HKSP would also put the emphasis on supporting the development of green technology. In addition, the Research and Development Centres set up under the Innovation and Technology Fund had undertaken green technology projects such as electric vehicle and photovoltaic technology. 10. <u>Mr Andrew LEUNG</u> declared interest as a member of the EDC. Noting that the EDC would be formulating an overall strategy and policy to enhance Hong Kong's long-term economic development and make recommendations to the Administration, <u>Mr LEUNG</u> called on the Administration to announce and roll out the EDC's proposals as soon as ready.

SCED responded that the Administration's goal was to formulate a 11. The EDC would explore ways to make use of holistic industrial policy. Hong Kong's long-standing advantages and leverage on the opportunities offered by the development of the Mainland from a high-level, cross-departmental and cross-sectoral perspective. The EDC would be led by the CE, under which four Working Groups would look into the areas of "transportation", "convention and exhibition industries and tourism", "manufacturing industries, innovative technology and cultural and creative industries", and "professional services" respectively to make concrete recommendations to the Administration. The EDC would convene as soon as practicable to discuss the work plan and way forward of the EDC and its Working Groups.

12. <u>Miss CHAN Yuen-han</u> and <u>Mr TANG Ka-piu</u> opined that the Administration should promote diversified economic development in Hong Kong so as to create jobs and improve people's livelihood. <u>Mr TANG</u> expressed disappointment that the membership of the four Working Groups under the EDC did not have representatives from the labour union or practitioners of the respective industries.

13. In response, <u>SCED</u> advised that the Administration would draw up an overall industry policy with a view to creating jobs and improving people's livelihood. In this regard, the EDC would provide visionary direction and advice to the Administration on the overall strategy and policy to broaden Hong Kong's economic base and to enhance Hong Kong's economic growth. For example, the Administration would seek to develop high value-added maritime services, thereby creating more jobs in Hong Kong.

Innovation and technology industries

14. <u>Ir Dr LO Wai-kwok</u> declared interest as a member of the Board of Directors of the Hong Kong Science and Technology Parks Corporation. Pointing out that the proposal on re-organization of the Government Secretariat, including the setting up a Technology and Communications Bureau (TCB) which was relatively less controversial, had not been dealt with before the prorogation of the previous term of the Legislative Council (LegCo), <u>Ir Dr LO</u> asked whether the Administration would pursue the TCB

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proposal again. <u>Mr Charles MOK</u> shared a similar concern. <u>SCED</u> responded that the CE had decided not to pursue the re-organization proposal in the near future. Nevertheless, CEDB would continue to solicit views of different sectors of the community, including LegCo, through various consultation channels on how best to promote the development of Hong Kong's communications and technology services. He added that the Government would focus on the development of the highly competitive sectors of the innovation and technology industries in light of Hong Kong's strengths.

15. <u>Ir Dr LO Wai-Kwok</u> welcomed the Administration's decision to increase the level of cash rebate under the Research and Development (R&D) Cash Rebate Scheme from 10% to 30% with effect from 1 February 2012. He requested the Administration to further consider providing more tax concessionary incentives to enterprises, such as doubling the tax deduction for investment in R&D, so as to further stimulate private investment in R&D.

16. In response, <u>CIT</u> advised that from 1 February 2012 to end-November 2012, the number of approved applications of the R&D Cash Rebate Scheme had increased by 8% compared with the same period in 2011. The number of pre-registrations for partnership projects under the Scheme, which would be followed by a formal application upon completion of the R&D project, had also gone up substantially since the cash rebate increase in February The Administration had conducted a comprehensive review of the 2012. Scheme and would report to the Panel in February 2013. <u>CIT</u> supplemented that tax issues were under the purview of the Financial Services and the Treasury Bureau. The Administration had studied the suggestion of providing tax concessionary incentives to enterprises in relation to R&D investment, and considered that the R&D Cash Rebate Scheme was an appropriate measure.

17. <u>Mr Charles MOK</u> noted that the Working Group on Manufacturing Industries, Innovative Technology and Cultural and Creative Industries under the EDC which covered a wide variety of industries had no representatives from the information and communications technology industry. He was concerned that the Working Group could not focus on the development of innovation and technology in Hong Kong. He also expressed concern about the transparency of the work of the Working Group, and asked whether the relevant papers, such as agenda and minutes, would be made available to the public. <u>SCED</u> took note of Mr MOK's views and concerns, and advised that the Working Group would maintain a close dialogue with the trade to understand their concerns when studying the policies on innovation and technology.

18. <u>Mr Charles MOK</u> expressed disappointment that the Policy Address did not take forward the CE's election promise of doubling the Government's investment in R&D in five years to 0.8% of Hong Kong's Gross Domestic Product, as well as to adopt a procurement policy that would actively support the use of applied technologies, with environmental protection as an important consideration. <u>The Administration</u> took note of Mr MOK's comments.

Intellectual property and copyright protection

19. To successfully promote Hong Kong as a hub for intellectual property (IP) trading, <u>Mr MA Fung-kwok</u> opined that the Administration should first provide the necessary hardware and software support conducive to the sustained development of IP trading in Hong Kong. <u>Mr Charles MOK</u> also enquired how IP protection and development of IP trading would complement the development of innovation and technology in Hong Kong.

20. In response, SCED advised that under a knowledge-based economy, IP rights were increasingly commercialized and traded around the world. А sound IP protection system and IP trading would help to promote realization and commercialization of R&D results, as well as branding development. He highlighted that Hong Kong had the potential to develop into a regional IP trading hub, given its outstanding business environment, robust IP protection regime, extensive investments across Asia with Mainland as Hong Kong's hinterland, and experience in areas such as R&D, design, trading and business and professional services in support of industrial production. The Administration planned to set up a working group comprising the Administration, the industry and experts from different fields to develop overall strategies to promote Hong Kong as an IP trading hub and to explore how best to help enterprises, especially small and medium enterprises (SMEs), protect and capitalize on their intellectual assets for future business development.

21. <u>Mr MA Fung-kwok</u> and <u>Mr Charles MOK</u> noted with concern the lapse of the Copyright (Amendment) Bill 2011 following the end of the previous term of LegCo. They enquired about the way forward for strengthening copyright protection in the digital environment and urged for early legislation to enhance protection. <u>SCED</u> responded that the Administration would continue to engage various stakeholders to address issues of public concern, including parody and related copyright issues.

Economic and trade relations with the Mainland and overseas countries

22. <u>Mr Andrew LEUNG</u> and <u>Mr Jeffrey LAM</u> supported the Administration's proposal to establish an Economic and Trade Office (ETO) in Wuhan. <u>Mr LEUNG</u> enquired how the HKSAR Government offices in the Mainland (Mainland offices) could more effectively support Hong Kong enterprises and assist Hong Kong residents in the Mainland.

23. SCMA responded that to strengthen the trade and economic co-operation between Hong Kong and the Mainland, the Administration would enhance G2G (Government-to-Government) co-operation and economic partnership with provinces and municipalities in the Mainland on all fronts. Every Mainland office would have dedicated staff to strengthen liaison with Hong Kong residents and business groups in major Mainland cities, and provide them with necessary information and general assistance as The Census and Statistics Department would step up the far as possible. collection of aggregate data on Hong Kong residents in the Mainland to better gauge their situation and service needs. Furthermore, the Mainland offices would analyze the opportunities and challenges for Hong Kong arising from national policies as well as disseminate such information, together with that concerning significant regional development and investment projects, with a view to facilitating Hong Kong residents and enterprises to seize the development opportunities.

24. Responding to the enquiries made by Mr Andrew LEUNG and Mr Jeffrey LAM on enhancing the existing mechanism for the implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), Director-General of Trade and Industry (DGTI) advised that to resolve the problems encountered by the trade in entering into the Mainland market through the CEPA preferential measures, an additional Joint Working Group would be established by the HKSAR Government and the Central People's Government (CPG). The Joint Working Group would be led, on the Mainland side, by the Ministry of Commerce, and upon its invitation, be participated by the relevant CPG ministries and municipal governments. The Hong Kong side would be led by the Trade and Industry Department The Joint Working Group would provide targeted assistance to (TID). sectors that had encountered relatively more entry barriers with emphasis on assisting SMEs. DGTI supplemented that TID would continue to monitor the implementation of CEPA measures through its existing mechanism to assist Hong Kong enterprises in tapping the Mainland market.

25. On assistance for Hong Kong enterprises in expanding in the Mainland and overseas, <u>Mr Jeffrey LAM</u> suggested that trade missions, to be led by the CE and Principal Officials, should be organized to enable enterprises to better understand the investment environment and development potentials of the emerging markets overseas and in the Mainland.

26. <u>The Administration</u> took note of Mr Jeffrey LAM's suggestion. <u>SCMA</u> added that the functions of the Mainland offices would be enhanced so as to better assist Hong Kong enterprises in understanding the Mainland's policies and market development, and tapping the business opportunities in the Mainland. <u>SCED</u> supplemented that the ETOs in the Mainland and overseas, the Hong Kong Trade Development Council, the Hong Kong Tourism Board (HKTB) and other related government departments would step up their efforts in promoting the image of Hong Kong and the uniqueness of Hong Kong brands, enabling Hong Kong enterprises to better compete in the Mainland and overseas markets.

27. Addressing the Deputy Chairman's concern about Hong Kong's request to join the Free Trade Area between China and the Association of Southeast Asian Nations (ASEAN) (CAFTA), <u>SCED</u> advised that with strong support from the CPG, the HKSAR Government was actively seeking to join CAFTA so that Hong Kong goods, services and investments could access the ASEAN market under more favourable conditions. The HKSAR Government would step up lobbying efforts with a view to seeking an early decision from ASEAN to engage Hong Kong in accession talks.

28. <u>Mr WONG Kwok-hing</u> expressed concern that quite a number of Hong Kong residents, having lost their jobs and investments in the Mainland, had returned to Hong Kong in great financial hardship. <u>Mr WONG</u> called on the Administration to provide appropriate assistance to help them resettle in Hong Kong. <u>The Administration</u> took note of Mr WONG's concern.

Convention and exhibition industries and tourism

Mr WONG Ting-kwong asked about the Administration's stance on 29. the need to increase the supply of convention and exhibition facilities in Hong Kong, in particular the building of Phase 3 of the Hong Kong Convention and Exhibition Centre (HKCEC) and Phase 2 of the AsiaWorld-Expo (AWE). In response, SCED advised that the Administration was closely monitoring and assessing the demand for convention and exhibition facilities in Hong Kong having regard to the development of such facilities in nearby countries and places. At present, shortage of space at HKCEC and AWE occurred mainly during the peak seasons of the exhibition calendar. The Administration would continue to Action

enhance the co-operation between HKCEC and AWE to facilitate a more effective utilization of the overall convention and exhibition facilities in Hong Kong through the adoption of various approaches including "one show, two venues", and to encourage the exhibition organizers to hold their events at non-peak seasons.

30. <u>Mr WONG Ting-kwong</u> enquired about the Administration's initiatives in promoting the tourism industry in Hong Kong. <u>SCED</u> advised that the Administration would continue to work with HKTB to step up the promotion of Hong Kong as a premier MICE (meetings, incentive travels, conventions and exhibitions) destination, as well as the promotion of cruise tourism. <u>Mr WONG Ting-kwong</u> opined that in addition to attracting more high-spending visitors to Hong Kong, the Administration should also further develop the tourism infrastructure and tourist attractions, and strive to expand the source markets for Hong Kong-bound tourists.

31. Referring to media reports on disputes between Mainland visitors and the local tour guide as well as complaints by Mainland visitors about shopping scams or coerced shopping, <u>Mr WONG Kwok-hing</u> asked how the Administration would address and tackle the problems.

32. In response, SCED said that the Government would join hands with the relevant Mainland authorities problems to tackle the of "zero/negative-fare" tours and coerced shopping to ensure Mainland visitors would have a pleasant experience in Hong Kong. HKTB would launch a new campaign this year locally as well as in target source markets to further enhance the image of Hong Kong's tourism industry and promote the hospitable service culture. SCMA supplemented that the Mainland offices would also enhance communication and publicity targeted at all sectors in the Mainland, with a view to promoting the strengths of Hong Kong and fostering mutual understanding and respect between Hong Kong and the Mainland.

[To allow sufficient time for discussion, the Chairman directed the meeting be extended for 15 minutes.]

V. Promotion of inward investment (LC Paper No. CB(1)436/12-13(05) -- Administration's paper on promotion of inward investment LC Paper No. CB(1)436/12-13(06)

-- Paper on promotion of inward investment prepared by the Legislative Council Secretariat (updated background brief))

Presentation by the Administration

33. At the invitation of the Chairman, <u>Director-General of Investment</u> <u>Promotion</u> (DGIP) briefed members on the investment promotion work and major achievements of Invest Hong Kong (InvestHK) in 2012 and the way forward for 2013 as set out in the Administration's paper (LC Paper No. CB(1)436/12-13(05)).

Discussion

Investment promotion efforts in priority sectors and emerging markets

34. In response to the Deputy Chairman's enquiry about the target markets or sectors in respect of InvestHK's investment promotion work in 2013, Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (PSCIT) advised that InvestHK would continue to adopt a sector-focused and market-oriented approach to proactively reach out to companies in target sectors in key geographical markets. In launching the sector-specific investment promotion programmes, InvestHK had been collaborating closely with relevant bureaux and departments and other supporting organizations to support the Administration's policy directions and objectives. InvestHK would continue to accord priority to promoting the business opportunities in sectors and industries where Hong Kong had a competitive edge, including in particular financial services, innovation and technology and creative industries sectors. Apart from continuing its effort in attracting investment from developed markets such as the United States and Europe, InvestHK would also step up its investment promotion efforts in encouraging more companies from the Mainland, Taiwan and key emerging markets to set up or expand their business in Hong Kong. Hong Kong would also be promoted as an ideal platform for Mainland companies to go global.

35. <u>The Chairman</u> enquired whether InvestHK would focus and step up its investment promotion work in the key emerging markets, in particular the member countries of the Association of Southeast Asian Nations (ASEAN). <u>PSCIT</u> responded that InvestHK would strive to attract foreign direct investment from ASEAN countries. Hong Kong had submitted to ASEAN a request to join the Free Trade Area between China and ASEAN (CAFTA) with a view to assisting Hong Kong traders and investors in tapping the emerging Southeast Asian market and promoting regional economic co-operation. <u>PSCIT</u> further advised that to support Hong Kong enterprises in entering into the ASEAN market, the Administration would be pleased to convey their concrete proposals, such as setting up an overseas industrial park in the ASEAN market, to the relevant authorities for consideration.

36. Noting that Hong Kong had all along practised free trade in both goods and services and did not maintain any trade barriers, <u>the Chairman</u> expressed concern whether this would affect the ASEAN's consideration of Hong Kong's request to join CAFTA.

In response, <u>PSCIT</u> advised that Hong Kong had been active in 37. forging free trade agreements (FTAs) with its trading partners to secure more favourable access to overseas markets for Hong Kong's goods and services. The HKSAR Government had signed FTAs with New Zealand, member states of the European Free Trade Association as well as Chile, and would endeavor to enter into more FTAs with other trading partners. As for the Investment Promotion and Protection Agreements (IPPAs), apart from those signed with other economies such as Japan, Australia etc., the HKSAR Government would continue to actively seek to negotiate and conclude more IPPAs with overseas countries to attract foreign investors to Hong Kong and to enhance protection of Hong Kong investors' overseas investments. Under the FTA signed with Chile, Hong Kong and Chile also agreed to initiate negotiations on a comprehensive Investment Agreement upon the entry into force of the FTA, so as to enhance investment flows between the two places. On Hong Kong's request to join CAFTA, PSCIT supplemented that the Administration had been actively lobbying ASEAN Member States, as well as elaborating the potential benefits of Hong Kong's participation in CAFTA. ASEAN Member States had responded positively in general and were currently conducting domestic consultations and assessment on Hong Kong's proposed accession. The Administration would step up lobbying efforts with a view to seeking an early decision from ASEAN.

Effectiveness of investment promotion work

38. <u>Ir Dr LO Wai-kwok</u> noted that in 2012, InvestHK had completed 316 projects, which created 2 937 jobs within the first year of operation or expansion of the companies, representing an average of less than 10 jobs created for each project. <u>Ir Dr LO</u> asked whether InvestHK had kept track of the development of the companies concerned and called on InvestHK to collect further information on the completed projects after the first year, such as additional number of jobs created, business development or expansion and the amount of additional direct investment involved, so as to facilitate

evaluation of the effectiveness of InvestHK's work.

39. <u>PSCIT</u> noted Ir Dr LO Wai-kwok's suggestion. He said that InvestHK would continue to provide ongoing aftercare support to overseas enterprises that had already established their presence in Hong Kong. <u>DGIP</u> added that InvestHK had continued to compile relevant statistics and keep track of the number of jobs created in respect of the completed projects in the second and third year as far as practicable. However, there might be difficulties in contacting the companies that had relocated their offices. <u>DGIP</u> further advised that these companies, mostly small and medium enterprises, though started off with a relatively small number of staff, would engage local service providers for outsourced jobs, thereby creating indirect job opportunities in Hong Kong.

40. Summing up, <u>the Chairman</u> acknowledged the progress of work and achievements of InvestHK in the past year. He noted that the sovereign debt crisis in Europe remained a threat to the global economy, and called on InvestHK to continue stepping up its efforts in investment promotion work.

VI. Any other business

41. <u>The Chairman</u> informed members that the Panel on Health Services would discuss the item "Development of Chinese medicine" at its regular meeting scheduled for 18 February 2013 at 4:30 pm. Panel members were invited to join the discussion.

(*Post-meeting note*: At the request of the Administration and with the concurrence of Dr Hon LEUNG Ka-lau, Chairman of the Panel on Health Services, the discussion of the item "Development of Chinese medicine" would be deferred to the regular meeting scheduled for 18 March 2013.)

42. There being no other business, the meeting ended at 10:44 am.

Council Business Division 1 Legislative Council Secretariat 13 March 2013