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Replies to initial written questions raised by Finance Committee Members in examining the Estimates of Expenditure 2015-16

Director of Bureau : Secretary for Commerce and Economic Development

Session No. : 7

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CEDB(CIT)251	0350	LIAO Cheung-kong, Martin	78	(1) Statutory Functions
CEDB(CIT)252	1094	LO Wai-kwok	78	(2) Protection of Intellectual Property
CEDB(CIT)253	2725	QUAT Elizabeth	78	(1) Statutory Functions
CEDB(CIT)254	3233	TIEN Pei-chun, James	78	(2) Protection of Intellectual Property
CEDB(CIT)255	0388	WONG Kwok-hing	78	(2) Protection of Intellectual Property
CEDB(CIT)256	0606	WONG Kwok-hing	78	(2) Protection of Intellectual Property
CEDB(CIT)257	0751	CHAN Kin-por	79	(-) Investment Promotion
CEDB(CIT)258	0449	CHUNG Kwok-pan	79	(-) Investment Promotion
CEDB(CIT)259	2552	CHUNG Kwok-pan	79	(-) Investment Promotion
CEDB(CIT)260	2556	CHUNG Kwok-pan	79	(-) Investment Promotion
CEDB(CIT)261	1535	LAM Kin-fung, Jeffrey	79	(-) Investment Promotion
CEDB(CIT)262	1557	LAM Kin-fung, Jeffrey	79	(-) Investment Promotion
CEDB(CIT)263	3518	LAM Tai-fai	79	(-) Investment Promotion
CEDB(CIT)264	0351	LIAO Cheung-kong, Martin	79	(-) Investment Promotion
CEDB(CIT)265	1095	LO Wai-kwok	79	(-) Investment Promotion
CEDB(CIT)266	4045	SIN Chung-kai	79	(-) Investment Promotion
CEDB(CIT)267	3280	TIEN Pei-chun, James	79	(-) Investment Promotion
CEDB(CIT)268	2602	TONG Ka-wah, Ronny	79	(-) Investment Promotion
CEDB(CIT)269	4883	CHAN Chi-chuen	168	(1) Weather Services
CEDB(CIT)270	6085	CHAN Ka-lok, Kenneth	168	(-) -

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CEDB(CIT)271	3388	FUNG Kin-kee, Frederick	168	(1) Weather Services
CEDB(CIT)272	3389	FUNG Kin-kee, Frederick	168	(1) Weather Services (2) Radiation Monitoring and Assessment (3) Time Standard and Geophysical Services
CEDB(CIT)273	5279	KWOK Ka-ki	168	(1) Weather Services
CEDB(CIT)274	5283	KWOK Ka-ki	168	(3) Time Standard and Geophysical Services
CEDB(CIT)275	0269	LAU Wong-fat	168	(1) Weather Services
CEDB(CIT)276	0331	LIAO Cheung-kong, Martin	168	(1) Weather Services
CEDB(CIT)277	0332	LIAO Cheung-kong, Martin	168	(3) Time Standard and Geophysical Services
CEDB(CIT)278	0568	POON Siu-ping	168	(1) Weather Services
CEDB(CIT)279	2006	CHAN Han-pan	181	(1) Commercial Relations
CEDB(CIT)280	0170	CHAN Wai-yip, Albert	181	(1) Commercial Relations
CEDB(CIT)281	0692	CHAN Yuen-han	181	(2) Trade Support and Facilitation
CEDB(CIT)282	0694	CHAN Yuen-han	181	(2) Trade Support and Facilitation
CEDB(CIT)283	6270	CHEUNG Chiu-hung, Fernando	181	(2) Trade Support and Facilitation
CEDB(CIT)284	0283	CHUNG Kwok-pan	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)285	0290	CHUNG Kwok-pan	181	(1) Commercial Relations
CEDB(CIT)286	0291	CHUNG Kwok-pan	181	(2) Trade Support and Facilitation
CEDB(CIT)287	0447	CHUNG Kwok-pan	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)288	2553	CHUNG Kwok-pan	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)289	2768	LAM Tai-fai	181	(1) Commercial Relations
CEDB(CIT)290	2773	LAM Tai-fai	181	(-) -
CEDB(CIT)291	2787	LAM Tai-fai	181	(1) Commercial Relations
CEDB(CIT)292	2792	LAM Tai-fai	181	(2) Trade Support and Facilitation

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CEDB(CIT)293	2155	LEUNG Kwan-yuen, Andrew	181	(1) Commercial Relations
CEDB(CIT)294	2202	LEUNG Kwok-hung	181	(1) Commercial Relations
CEDB(CIT)295	3132	LIAO Cheung-kong, Martin	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)296	3133	LIAO Cheung-kong, Martin	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)297	3755	TIEN Pei-chun, James	181	(2) Trade Support and Facilitation
CEDB(CIT)298	3756	TIEN Pei-chun, James	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)299	2571	TONG Ka-wah, Ronny	181	(2) Trade Support and Facilitation
CEDB(CIT)300	2595	TONG Ka-wah, Ronny	181	(2) Trade Support and Facilitation
CEDB(CIT)301	1251	WONG Ting-kwong	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)302	1255	WONG Ting-kwong	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)303	1351	YIU Si-wing	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)304	1352	YIU Si-wing	181	(3) Support for Small and Medium Enterprises and Industries

CONTROLLING OFFICER'S REPLY

CEDB(CIT)001

(Question Serial No. 2357)

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

Subhead (No. & title): (000) Operational expenses

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In this regard, would the Commerce and Economic Development Bureau provide in the table below details of the duty visits made by the Secretary for Commerce and Economic Development and the Under Secretary for Commerce and Economic Development in the past 3 years (2012-13, 2013-14 and 2014-15), including the date of visit, place of visit, size of entourage, purpose of visit, expenses on hotel accommodation, air tickets and meals and total expenditure for each visit? Please provide the amounts and the names of the sponsors of the sponsorships received (if any) of each visit.

Date of visit	Place of visit	Size of entourage	Purpose of visit	Hotel accommodation expenses	Air ticket expenses	Meal expenses	Total expenditure

Asked by: Hon CHAN Chi-chuen (Member Question No. 13)

Reply:

Relevant information on the overseas duty visits of the Secretary for Commerce and Economic Development and the Under Secretary for Commerce and Economic Development in the past three financial years is as follows:

Secretary for Commerce and Economic Development

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses ^{Note} (C)	Total expenditure (A)+(B)+(C)
2012-13 (19 times)	Wuhan, Japan, (Sandai, Tokyo and Osaka), France (Paris), Russia (Kazan*, St. Petersburg* and Vladivostok*), Hangzhou, Urumqi, Guangzhou, Dongguan, Ningbo, Shanghai, Tianjin, Beijing, Shenzhen, Cambodia (Phnom Penh), Singapore and Indonesia (Lombok and Jakarta)	To attend meetings and events, and promote Hong Kong (e.g. meetings of Asia-Pacific Economic Cooperation, ceremonies of promotional events, meetings with government officials, local organisations and Hong Kong people)	1-2 each time	About HK\$328,000	About HK\$24,000	About HK\$50,000	About HK\$402,000

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses ^{Note} (C)	Total expenditure (A)+(B)+(C)
2013-14 (21 times)	Guangzhou, Indonesia (Surabaya* and Bali*), Beijing*, Xiamen, Zhengzhou*, Belgium (Brussels), France (Paris), USA (New York, San Francisco and Los Angeles), New Zealand (Auckland and Wellington), Xian*, Guiyang*, Chongqing, Nanning, Dongguan, Switzerland (Zurich and Davos) and South Korea (Seoul)	To attend meetings and events, and promote Hong Kong (e.g. meetings of Asia-Pacific Economic Cooperation, ceremonies of promotional events, meetings with government officials, local organisations and Hong Kong people)	1-2 each time	About HK\$417,000	About HK\$49,000	About HK\$49,000	About HK\$515,000

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses ^{Note} (C)	Total expenditure (A)+(B)+(C)
2014-15 (as at 28.2.2015) (21 times)	Chongqing, France (Paris), Myanmar (Nay Pyi Taw and Yangon), Qingdao*, Nanjing*, Beijing*, Taichung, Taipei, Shenzhen, Harbin, Guangzhou*, Xinhui, Vietnam (Ho Chi Minh City), South Korea (Seoul), Shanghai, USA (Los Angeles) and Japan (Tokyo and Osaka)	To attend meetings and events, and promote Hong Kong (e.g. meetings of Asia-Pacific Economic Cooperation, ceremonies of promotional events, meetings with government officials, local organisations and Hong Kong people)	1-2 each time	About HK\$306,000	About HK\$38,000	About HK\$39,000	About HK\$383,000

Under Secretary for Commerce and Economic Development (the position was vacant from 28 June 2011 to 15 October 2013)

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of overseas duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses ^{Note} (C)	Total expenditure (A)+(B)+(C)
2012-13 (0 time)	N. A.	N. A.	N. A.	HK\$0	HK\$0	HK\$0	HK\$0
2013-14 (0 time)	N. A.	N. A.	N. A.	HK\$0	HK\$0	HK\$0	HK\$0
2014-15 (as at 28.2.2015) (7 times)	Xiamen, Dongguan, Guangzhou, Huizhou, Shenzhen and Fuzhou	To attend meetings and events (e.g Hong Kong-Shenzhen Cooperation Meeting)	0	About HK\$8,000	About HK\$1,000	About HK\$1,000	About HK\$10,000

* With sponsorship (such as hotel accommodation and/or local transportation) offered by government agencies / organizers of events. The actual value of the sponsorship is not available.

Note: Other expenses include charges for subsistence allowance for duty outside Hong Kong and sundry expenses (if applicable).

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)002

(Question Serial No. 2384)

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

Subhead (No. & title): (000) Operational expenses

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to the Programme, the Office of the Secretary for Commerce and Economic Development is responsible for providing support to the Secretary for Commerce and Economic Development in undertaking political work. This includes the support provided by the Under Secretary and the Political Assistant. The work includes the planning, co-ordination and implementation of all arrangements for the Secretary's public, media and community functions. Please tabulate the time, venue, number of accompanying officers, expenses and details of the public and community functions attended by the Secretary for Commerce and Economic Development in the past three years.

Asked by: Hon CHAN Chi-chuen (Member Question No. 40)

Reply:

The Secretary attended various functions from time to time to maintain contacts with various sectors of the community, and we have not kept statistical records of such events. The expenditures incurred in connection with the attendance of such events, if any, have already been reflected in the operating expenses of the Bureau.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)003

(Question Serial No. 2385)

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

Subhead (No. & title): (000) Operational expenses

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to the Programme, there will be an estimated 173 non-directorate posts as at 31 March 2015 rising by five posts to 178 posts as at 31 March 2016 in the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch). What are the types and work nature of the newly added posts? Meanwhile, there will be 19 directorate posts in the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch). Will the Government inform this Committee of the types, salaries, allowances and work nature of these 19 directorate posts, and the types, number, salaries, allowances and work nature of the 178 non-directorate permanent posts?

Asked by: Hon CHAN Chi-chuen (Member Question No. 41)

Reply:

The details of the 5 new posts to be created in 2015-16 are as follows:

Post title	Number of post	Job nature and area of work
Senior Treasury Accountant (time-limited for 5 years)	1	To provide additional support for the internal financial control and operation of the funding schemes under this Branch's purview, including the Mega Events Fund, Earn & Learn Pilot Scheme for Retail Industry, and Retail Technology Adoption Assistance Scheme for Manpower Demand Management.
Accounting Officer I (time-limited for 5 years)	1	

Post title	Number of post	Job nature and area of work
Senior Administrative Officer (time-limited for 2 years)	1	To provide support to Government's discussions with The Walt Disney Company on the Phase 2 Development of the Hong Kong Disneyland Resort.
Senior Executive Officer (time-limited for 2 years)	1	
Electrical and Mechanical Engineer (time-limited for 2 years)	1	To continue to provide technical support to the daily operation of the Kai Tak Cruise Terminal.
Total posts to be created:	5	

In 2015-16, the establishment of directorate and non-directorate civil service posts under the Branch are as follows:

(1) Directorate posts :

	No of Directorate Posts	Relevant Grades	Total Expenditure on Personal Emoluments ⁽¹⁾ (\$'000)	Total Expenditure on Personnel Related Expenses ⁽²⁾ (\$'000)
Director of Bureau's Office	1	Administrative Officer	1,843	—
Commerce, Industry and Tourism Branch (including the Administration Division, Divisions 1 to 5 and Special Duties Division)	11	Administrative Officer and Executive Officer	21,454	—
Tourism Commission	7	Administrative Officer and Executive Officer	13,565	186

(2) Non-directorate posts :

	No of Non-directorate Posts	Relevant Grades	Total Expenditure on Personal Emoluments⁽¹⁾ (\$'000)	Total Expenditure on Personnel Related Expenses⁽²⁾ (\$'000)
Director of Bureau's Office	6	Executive Officer, Personal Secretary and Chauffeur	2,824	—
Commerce, Industry and Tourism Branch (including the Administration Division, Divisions 1 to 5 and Special Duties Division)	111	Administrative Officer, Treasury Accountant, Executive Officer, Trade Officer, Information Officer, Accounting Officer, Analyst/Programmer, Supervisor of Typing Services, Typist, Personal Secretary, Clerical Officer, Confidential Assistant, Clerical Assistant, Chauffeur, Motor Driver, Office Assistant and Workman II	63,161	3,048
Tourism Commission	61	Administrative Officer, Town Planner, Economist, Engineer, Estate Surveyor, Treasury Accountant, Electrical and Mechanical Engineer, Executive Officer, Personal Secretary, Clerical Officer, Clerical Assistant, Motor Driver and Office Assistant	44,193	1,961

Note:

- (1) Total expenditure on personal emoluments includes salaries, allowances and job-related allowances (where appropriate).
- (2) Total expenditure on personnel related expenses includes Mandatory Provident Fund contribution, Civil Service Provident Fund contribution and Disturbance allowance (where appropriate).

The directorate and non-directorate officers of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) are responsible for the development and implementation of policies relating to Hong Kong's external commercial relations and commercial relations with the Mainland, tourism, investment promotion, intellectual property protection, industry support, trade facilitation, competition policy, consumer protection, wine-related business, postal services and meteorological services.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)004

(Question Serial No. 4885)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is noted in the Policy Address that the two theme parks are pressing ahead with expansion plans. The operating results of the Hong Kong Disneyland are improving, and the Government will commence discussion on the Phase 2 development of the Hong Kong Disneyland Resort with the Walt Disney Company. In this connection, please provide details of the expansion plans for the Ocean Park and the Hong Kong Disneyland, the government manpower and expenditure involved as well as the commencement and completion dates for the works.

Please provide the number of attendance, with respective percentages of local visitors, Mainlanders and overseas visitors, at the Ocean Park and the Hong Kong Disneyland for the past 5 years.

Asked by: Hon CHAN Chi-chuen (Member Question No. 137)

Reply:

The Ocean Park has embarked on developing an all-weather indoor cum outdoor waterpark at Tai Shue Wan. The construction works of the Park's first hotel, namely Hong Kong Ocean Park Marriott Hotel, has also commenced. These 2 projects are expected to be completed by 2017. Besides, the Ocean Park has invited expression of interest ("EOI") for the Fisherman's Wharf Hotel project. Subject to the EOI results, the Ocean Park will conduct re-tender for the project. As regards the associated Government expenditure, the Ocean Park's Tai Shue Wan waterpark project is funded by a Government loan of \$2.29 billion. The hotel projects of the Ocean Park will be undertaken by the successful tenderers and the Government need not bear the cost.

As regards the Hong Kong Disneyland (“HKDL”), further to the launch of the new night time parade “Disney Paint the Night” in October 2014, the HKDL will continue to launch a series of new initiatives, including the 10th Anniversary Celebration later this year, a new themed area based on Marvel’s Iron Man franchise by the end of 2016, and a new 750-room hotel with a theme dedicated to the spirit of exploration in early 2017. The Government has also commenced discussions on the Phase 2 development of the Hong Kong Disneyland Resort with The Walt Disney Company (“TWDC”). As regards the associated Government expenditure, the Government will provide a loan of no more than \$808.5 m to the HKDL to support the development of the new hotel while the other aforementioned projects at the Phase 1 site of the HKDL will be self-funded by the HKDL. Resources required for the Phase 2 development are still subject to discussions.

The Government will create 2 new posts in 2015-16 to provide support for Government’s discussions with TWDC on the Phase 2 development of the Hong Kong Disneyland Resort. The details of the 2 new posts to be created are as follows:

Post title	Number of post	Total salary provision (\$)
Senior Administrative Officer (time-limited for 2 years)	1	1,222,560
Senior Executive Officer (time-limited for 2 years)	1	896,280

The other staffing of this Bureau for the foregoing projects of the 2 theme parks has been subsumed into the establishment of the Commerce, Industry and Tourism Branch, and it is difficult to quantify the amount separately.

The attendance and breakdown based on origin of visitors of the 2 theme parks in the past 5 fiscal years are as follows:

Fiscal Year¹	Ocean Park²	Hong Kong Disneyland			
	Attendance (million)	Attendance (million)	Local	Mainland China	International
2014	7.6	7.5	32%	48%	20%
2013	7.7	7.4	33%	47%	20%
2012	7.1	6.7	33%	45%	22%
2011	5.9	5.9	31%	45%	24%
2010	5.1	5.2	32%	43%	25%

¹ The fiscal year of the Ocean Park starts on 1st July of each year until 30th June of the following year. The fiscal year of the HKDL is from October each year to September next year and ends on the Saturday closest to 30th September.

² The Ocean Park does not disclose breakdown of its attendance based on origin of visitors.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)005

(Question Serial No. 4933)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government plans to implement as early as possible the proposal to facilitate alfresco dining operation and to consider introducing Food Truck into Hong Kong. What are the details of the proposal? There are concerns that only corporations and organisations with strong finances can afford the high cost of purchasing these Food Trucks, putting the small operators at a disadvantage. What is the Government's position on this issue?

Asked by: Hon CHAN Chi-chuen (Member Question No. 185)

Reply:

Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation (including types of operator), food safety and environmental hygiene, etc. with a view to bringing in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea, Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)006

(Question Serial No. 4951)

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

Subhead (No. & title): (000) Operational expenses

Programme: (1) Director of Bureau's Office, (2) Commerce and Industry, (3) Subvention: Hong Kong Trade Development Council, (4) Posts, Competition Policy and Consumer Protection, (5) Subvention: Consumer Council, (6) Travel and Tourism, (7) Subvention: Hong Kong Tourism Board, (8) Public Safety, (9) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding studies conducted by consultancy firms or research institutions commissioned by the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) over the past 3 years, will the Bureau set out in the table below their details and estimated provisions?

Period	Study	Objective	Scope of study	Research institution	Manpower involved	Expenditure

Asked by: Hon CHAN Chi-chuen (Member Question No. 79)

Reply:

The studies which have been conducted or completed in the past 3 years (from 2012-13 to 2014-15) are:

Period	Study	Objective	Scope of study	Research institution	Manpower involved	Expenditure (HK\$)
Jul 2011 to Jun 2012	Feasibility study on enhancing the trade declaration computer system	To identify improvement areas, review business process, assess options to re-develop the system, etc.	Trade Declaration Computer System	Automated Systems (HK) Limited	The required manpower for conducting the studies were provided by consultancy firm. Monitoring and follow up work is undertaken by existing manpower in respective Divisions /Teams	1,712,665
Feb to Oct 2012	Consultancy study on the future demand and supply of Hong Kong's exhibition facilities	To study the future demand and supply of Hong Kong's exhibition facilities	To assess the global and regional development of the exhibition industry, and to study the future demand and supply of Hong Kong's exhibition facilities.	Arthur D. Little Asia Pacific Ltd.	Ditto	800,000
Apr to Dec 2012	Consultancy study on preparation of a cross-sector competition law	To provide expert services in relation to the introduction of a competition law	Issues relating to Competition Law	King & Wood Mallesons, Gilbert + Tobin	Ditto	3,356,100

Period	Study	Objective	Scope of study	Research institution	Manpower involved	Expenditure (HK\$)
Dec 2011 to Apr 2013	Business viability study for the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market	To study the business viability for the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market	Tourism	URS Hong Kong Limited (previously known as "Scott Wilson Ltd.")	Ditto	587,400
Feb to Apr 2013	Manpower Study for the Wine Industry	Examine the structure of individual sectors, the jobs available and their requirements etc. with a view to considering the feasibility of a detailed manpower survey for the industry	Wine industry manpower development	Vocational Training Council	Ditto	1,295,000
Apr 2012 to Jun 2013	Consultancy on Technical Measures Against Copyright Piracy in the Digital Environment	To study and assess the effectiveness of technical measures that are used or have been tried out overseas, and identify the key considerations if these measures are to be introduced in Hong Kong	Copyright Protection	M&L Associates Ltd.	Ditto	730,000

Period	Study	Objective	Scope of study	Research institution	Manpower involved	Expenditure (HK\$)
Jul 2012 to Mar 2014	Appointment of financial consultant for assessment of proposals and related matters in connection with the Tai Shue Wan redevelopment at Ocean Park	To provide consultancy services on the financial, business, economic, financing arrangement and other relevant aspects for the Tai Shue Wan redevelopment at the Ocean Park	Tourism	KPMG Corporate Finance Limited	Ditto	805,900
Sep 2012 to May 2014	International mega events that could be introduced into Hong Kong	To identify suitable international mega events to be introduced into Hong Kong under the Mega Events Fund's Tier-1 scheme	Tourism	URS Hong Kong Limited (previously known as "Scott Wilson Ltd.")	Ditto	646,000
Jun 2013 to Aug 2014	Manpower Survey for the Wine Industry	To collect information on industry manpower situation, types of training courses and number of places, etc.	Wine industry manpower development	Vocational Training Council	Ditto	1,354,600
Dec 2013 to Aug 2014	Financial arrangement for the third hotel development at the Hong Kong Disneyland	To provide consultancy services on the financial arrangement for the third hotel development at the Hong Kong Disneyland, so as to achieve the most suitable option	Analysis of different financial arrangements for the third hotel development at the Hong Kong Disneyland	KPMG	Ditto	1,457,000

Period	Study	Objective	Scope of study	Research institution	Manpower involved	Expenditure (HK\$)
Sep 2014	Perception Survey for the Retail Industry	To assess the public perception of the retail industry and the survey results will help formulate the strategy of the industry promotion campaign	Retail Manpower Development	Mercado Solutions Associates Ltd.	Ditto	162,000
Jan 2014 to Jan 2015	Demand study for convention and exhibition facilities in Hong Kong	To assess the future demand for convention and exhibition facilities in Hong Kong	To assess the demand for convention and exhibition facilities in Hong Kong in the coming 15 years, taking into account the situation in Hong Kong, and the global and regional developments of the convention and exhibition industries, and to recommend measures to meet the future demand	AMR International Ltd	Ditto	3,305,200
Since Mar 2014 (ongoing)	Consultancy study in support of the review of the patent system in Hong Kong	To provide advice on legal, technical and procedural issues relating to implementation of the “original grant” patent system and refinement of the short-term patent system in Hong Kong	Patent System in Hong Kong	Bird & Bird	Ditto	2,980,000

Period	Study	Objective	Scope of study	Research institution	Manpower involved	Expenditure (HK\$)
Since Sep 2014 (ongoing)	Consultancy Study on the Development of Government Electronic Trading Services (GETS)	The study examines how to develop GETS into a “Single Window“, through which one-stop customs clearance can be provided, and examines how best to further streamline departments’ handling of import/export documents	Government Electronic Trading Services	Crimson Logic Pte Ltd	Ditto	2,394,495

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)007

(Question Serial No. 4969)

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

Subhead (No. & title): (-) -

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the estimated expenses on salaries and allowances for the Secretary for Commerce and Economic Development, the Under Secretary for Commerce and Economic Development and the Political Assistant to Secretary for Commerce and Economic Development in 2015-16?

Asked by: Hon CHAN Chi-chuen (Member Question No. 97)

Reply:

For budgetary purposes, the provisions for the salary in respect of the positions of Secretary for Commerce and Economic Development, the Under Secretary for Commerce and Economic Development and the Political Assistant to Secretary for Commerce and Economic Development for 2015-16 are \$3.58 million, \$2.33 million and \$1.25 million respectively.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)008

(Question Serial No. 2032)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It was stated in the Budget Speech that the 'construction of the "Iron Man Experience" in Hong Kong Disneyland and the waterpark at Tai Shue Wan in Ocean Park is expected to complete in 2016-17.' In this regard, would the Government advise:

- (a) Whether any public money is used on the investment of the above projects? If yes, what are the details? If no, what are the reasons? and
- (b) As the shareholder of the Disneyland and the owner of the Ocean Park, will the Government introduce any measures for the two theme parks to offer more concessions to local residents? If yes, what are the details? If no, what are the reasons?

Asked by: Hon CHAN Han-pan (Member Question No. 35)

Reply:

- (a) The new themed area based on the Iron Man franchise of the Hong Kong Disneyland ("HKDL") is self-funded by the HKDL with cash flow generated from its operations. There is no additional investment with public funds for the project.

The Ocean Park's Tai Shue Wan waterpark project is funded by a Government loan of \$2.29 billion.

- (b) The Ocean Park Corporation is an independent statutory body while the HKDL is jointly owned by the Government and The Walt Disney Company. The Government has regular liaison with the HKDL and the Ocean Park to monitor and give advice on

their operations. The two theme parks have been offering a wide range of concessionary measures to Hong Kong residents.

Earlier this year, the HKDL introduced for Hong Kong residents the "Play, Shop & Dine" special offer, which included two park visits during prescribed periods as well as dining and shopping discounts at a bargain price. Recently, the HKDL also announced "Bring a Friend" offer for Magic Access (i.e. annual pass) members, allowing them to bring friends to the park at a discounted price during a specified period.

The Ocean Park offers free admission to senior citizens aged 65 years or over and holders of Registration Card for Persons with Disabilities, and members of families receiving assistance from the Comprehensive Social Security Assistance Scheme may enter the park at a nominal admission price of \$20. All Hong Kong residents may also enjoy free admission on their birthdays. In addition, the Ocean Park has recently given away 10 000 tickets to Hong Kong residents in celebration of its 38th anniversary.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)009

(Question Serial No. 5755)

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

Subhead (No. & title): (000) Operational expenses

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2015-16, will the Commerce and Economic Development Bureau conduct studies or consultations on any plan to expand the Hong Kong Convention and Exhibition Centre or to provide additional convention and exhibition facilities in Wan Chai? If yes, what are the specific work plan, timetable and estimated expenditure?

Asked by: Hon CHAN Ka-lok, Kenneth (Member Question No. 242)

Reply:

The Government commissioned a consultancy study in 2014 to assess the future demand for convention and exhibition facilities in Hong Kong. Regarding construction of new facilities, one of the consultant's recommendations is to build a new convention centre above the Exhibition Station of the Shatin to Central Link. In order to facilitate the long term development of the convention industry in Hong Kong, the Government will consider constructing a new convention centre above the Exhibition Station upon the latter's completion around 2020, and has invited the Hong Kong Trade Development Council (HKTDC) to proceed with planning, including detailed design and relevant technical assessments, e.g. traffic impact assessment and environmental assessment. Relevant costs arising from the planning for the new convention centre will be borne by the HKTDC.

The consultant also recommends further provision/expansion of convention and exhibition space on Lantau Island and/or in other locations, as long as the necessary surrounding supporting facilities (e.g. accommodation, dining, entertainment and transport) are sufficiently provided. We will continue to pay attention to and consider the possibility of developing convention and exhibition facilities at other locations where necessary surrounding supporting facilities are sufficiently provided.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)010

(Question Serial No. 5756)

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

Subhead (No. & title): (000) Operational expenses

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Would the Government provide data on the market share of public-funded exhibition organisers and other private exhibition organisers in the whole year as well as during peak seasons? If yes, what are the details of the data? If no, will the Government conduct a research study in this area and publicise the relevant data and findings in 2015-16? If yes, what are the specific work plan and timetable? If no, what are the reasons?

Asked by: Hon CHAN Ka-lok, Kenneth (Member Question No. 243)

Reply:

The Hong Kong Exhibition and Convention Industry Association (HKECIA) publishes an annual survey on the exhibition industry in Hong Kong. According to this survey, a total of 100 large-scale exhibitions (i.e. "trade" and "trade and consumer" exhibitions with a gross area of over 2 000 square metres) were held in Hong Kong in 2013. The Hong Kong Trade Development Council organised 35 local exhibitions in 2013, accounting for 35% of the total number of exhibitions held in Hong Kong during the year.

As the HKECIA has not yet announced the result of the 2014 survey, we are not able to provide the figures for 2014 at this stage.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)011

(Question Serial No. 6029)

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

Subhead (No. & title): (000) Operational expenses

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Trade Descriptions Ordinance, after amendment, covers the regulation of service providers and measures for combating unfair sales practices. Please state:

- a) whether the Commerce and Economic Development Bureau will allocate resources under this Programme in 2015-16 for reviewing the effectiveness of the amended Trade Descriptions Ordinance in combating unfair sales practices? If yes, what are the plan and timeframe for the review work? If no, what are the reasons?
- b) Since my office still received complaints from the public from time to time about encountering unfair sales practices, and even suffering great financial losses, after the amendment of the Ordinance, it reflects that the public may not be fully aware of the amended legislation and may not know how to make good use of it to protect their consumer interests. Will the Bureau carry out more public education work in this respect in 2015-16? If yes, what are the specific plan for the work and the estimated expenditure? If no, what are the reasons?

Asked by: Hon CHAN Ka-lok, Kenneth (Member Question No. 246)

Reply:

The amended Trade Descriptions Ordinance (the Ordinance) has come into effect since 19 July 2013. It criminalises some commonly seen unfair trade practices. It also introduces a civil compliance-based mechanism under which the enforcement agencies may, with the written consent of the Secretary of Justice, accept a written undertaking from a trader to stop and not to repeat an unfair trade practice. This encourages compliance by traders and stops

identified unfair trade practices expeditiously. These measures have strengthened the protection of consumers and fostered a fairer business environment for honest traders.

The Customs and Excise Department and the Communications Authority are the enforcement agencies of the Ordinance. Since the amended Ordinance has come into effect, the enforcement agencies have been enforcing the Ordinance proactively under a three-pronged approach, covering compliance promotion; handling complaints, conducting inspections and taking enforcement actions; and conducting public education and publicity. We observe that traders are continuously improving their trade practices and consumers are increasing their knowledge of their rights and responsibilities. The enforcement agencies will continue to enforce the Ordinance proactively, and will continue to monitor the implementation of the amended Ordinance in tackling unfair trade practices.

Regarding promotion and education, before and after the implementation of the amended Ordinance, the enforcement agencies in coordination with the Consumer Council have launched extensive publicity and public education programmes which include broadcasting Announcements in the Public Interest on the television and radio, establishing dedicated websites, distributing posters and pamphlets, arranging roving exhibitions, conducting seminars, etc. The enforcement agencies and the Consumer Council will continue with the relevant work, and as the expenditure involved has been subsumed within their provisions, it is difficult to quantify the expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)012

(Question Serial No. 6030)

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

Subhead (No. & title): (000) Operational expenses

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Of the complaints I received about unscrupulous sales practices, many of the complainants told me that they had sought help from the Consumer Council (CC). But the CC failed to give them solid and effective support in seeking redress from the businesses concerned. Over the years, there have been strong calls for the Government to review the terms of reference and functions of the CC and to strengthen its power. Will the Government include such a comprehensive review into its work plan under this programme for 2015-2016? If yes, what are the specific plan and work schedule? If no, what are the reasons?

Asked by: Hon CHAN Ka-lok, Kenneth (Member Question No. 247)

Reply:

Under the Consumer Council Ordinance, the Consumer Council (CC)'s functions include collecting, receiving and disseminating information concerning goods and services; handling consumer complaints about goods and services and giving advice to them; taking such action as it thinks justified by information in its possession, including tendering advice to the Government; and encouraging businesses and professional associations to establish codes of practice to regulate the activities of their members.

The CC is committed to discharging the above functions and safeguarding consumer interests. The work involved includes conducting different product tests, studies and surveys to ensure product quality and safety; forestalling and conciliating disputes between consumers and traders; collaborating with law enforcement agencies in combating unfair trade practices; implementing consumer publicity and education programmes to empower consumers to protect themselves; providing advice to the Government on enhancing the

protection of consumer interests; and encouraging different business associations to establish relevant codes. The Consumer Legal Action Fund provides consumers with access to legal remedies by providing legal assistance and financial support in cases involving significant public interest and injustice.

The CC's efforts and efficacy in safeguarding consumer interests and establishing a fair, safe and sustainable consumption environment have been widely recognised. The CC will continue to seek improvements in discharging its duties.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)013

(Question Serial No. 6031)

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

Subhead (No. & title): (000) Operational expenses

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to the complaint cases I received from the public and the media reports, the problem of deceptive sales practices involving light-based cosmetic treatments and loan intermediary services is rather serious. In this respect, would the Consumer Council advise:

- a) What was the number of complaints on light-based cosmetic treatments received by the Council in each of the past 3 years? What were the nature of complaints (such as not meeting the advertised descriptions and causing cutaneous injuries), the amounts involved and the outcome of follow-up actions?
- b) What was the number of complaints on loan intermediary services received by the Council in the past 3 years? What were the nature of complaints, the amounts involved and the outcome of follow-up actions? Please provide a yearly breakdown; and
- c) Will the Council step up publicity and public education on consumer interests in relation to these two types of services in 2015-16? If yes, what are the specific plan and estimated expenditure? If no, what are the reasons?

Asked by: Hon CHAN Ka-lok, Kenneth (Member Question No. 248)

Reply:

- (a) In the past 3 years, the complaints received by the Consumer Council (CC) on laser and intense pulsed-light beauty treatment services are as follows -

Year	2012	2013	2014
Total number of complaints	129	157	144
Nature of complaints			
- Quality of services (%)	53.5%	40.8%	38.9%
- Sales practices (%)	15.5%	14.0%	31.9%
- Late / Non-delivery (%)	14.0%	5.1%	4.9%
- Price dispute (%)	7.8%	7.0%	2.8%
- Suspected to be unsafe (%)	0.0%	17.8%	12.5%
- Others (%)	9.2%	15.3%	9.0%
Total amount of money involved (if disclosed by the complainant)	About \$1.29 million	About \$1.57 million	About \$2.18 million
Number of non-pursuable complaints (Note)	16	36	23
Number of complaints pursued and closed	110	118	106
- Percentage of complaints resolved	63%	62%	64%
Number of complaints in progress	3	3	15

Some hair removal treatments also involve light-based beauty treatment services, for which the CC has drawn up separate statistics. The relevant complaints are as follows -

Year	2012	2013	2014
Total number of complaints	66	27	33
Nature of complaints			
- Quality of services (%)	39.4%	25.9%	24.2%
- Sales practices (%)	15.2%	29.6%	54.5%
- Late / Non-delivery (%)	15.2%	18.5%	6.1%
- Price dispute (%)	10.6%	0.0%	9.1%
- Others (%)	19.6%	26.0%	6.1%
Total amount of money involved (if disclosed by the complainant)	About \$370,000	About \$200,000	About \$710,000
Number of non-pursuable complaints (Note)	8	8	3
Number of complaints pursued and closed	57	18	28
- Percentage of complaints resolved	74%	61%	64%
Number of complaints in progress	1	1	2

(b) In the past 3 years, the complaints received by the CC on financial intermediary services are as follows -

Year	2012	2013	2014
Total number of complaints	9	38	75
Nature of complaints			
- Quality of services (%)	11.1%	0.0%	4.0%
- Sales practices (%)	22.2%	28.9%	30.7%
- Price dispute (%)	44.4%	71.1%	61.3%
- Others (%)	22.3%	0.0%	4.0%
Total amount of money involved (if disclosed by the complainant)	About \$200,000	About \$5.35 million	About \$7.92 million

Year	2012	2013	2014
Number of non-pursuable complaints (Note)	4	12	24
Number of complaints pursued and closed	5	26	44
- Percentage of complaints resolved	60%	62%	52%
Number of complaints in progress	0	0	7

(Note) Reasons for complaints being non-pursuable include the complainants only seeking to put their cases on record, complaints being unable to provide sufficient information on the cases, the cases falling outside the CC's jurisdiction, the cases lacking justifications, etc.

(c) The CC has from time to time conducted public education on consumer issues through such means as the CHOICE magazine. The expenditure involved has been subsumed within the CC's provision, and it is difficult to quantify it separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 6032)

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

Subhead (No. & title): (000) Operational expenses

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Many of our traditional festivals and folk arts in Hong Kong have been inscribed onto the National List of Intangible Cultural Heritage. They are very important tourism assets for attracting overseas visitors to Hong Kong. Will the Commerce and Economic Development Bureau incorporate collaboration projects with the Home Affairs Bureau into its work plan for 2015-2016 so as to leverage on these intangible cultural heritage and preserve them for transmission and succession? If yes, what are the specific plans and timetables of the projects? If no, what are the reasons?

Asked by: Hon CHAN Ka-lok, Kenneth (Member Question No. 249)

Reply:

The Tourism Commission, through the Hong Kong Tourism Board (HKTB), has all along been promoting Hong Kong's traditional festivals, local culture and folk arts to overseas visitors. In 2015-16, the HKTB will, through its visitor centres, visitor hotline, websites, mobile applications and social media platforms, continue to actively promote to overseas visitors the four traditional festivals which had been included in the third national list of intangible cultural heritage, namely Yu Lan Festival, Cheung Chau Bun Festival, Tai O Dragon Boat Water Parade and Tai Hang Fire Dragon Dance. Where necessary, the HKTB will consult the Home Affairs Bureau on activities relating to the intangible cultural heritage. In addition, the HKTB will continue to stage Hong Kong Cultural Celebrations in May 2015, promoting to visitors the festivals celebrated in that month, namely the Cheung Chau Bun Festival, Birthday of Tin Hau, Birthday of Buddha and Birthday of Tam Kung. The HKTB will invite international media to report and film these activities as well.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 6033)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Many cities around the world would host international sports events, in particular international long distance run, that are open to overseas participants as part of their efforts to boost tourism for their cities. In this regard, the existing Hong Kong Marathon still has a lot of room for further internationalization. Would the Commerce and Economic Bureau consider working together with the Home Affairs Bureau and relevant national sports associations in 2015-2016 to study the possibility of organising different international sports events to attract overseas visitors to Hong Kong? If yes, what are the specific work plans? If no, what are the reasons?

Asked by: Hon CHAN Ka-lok, Kenneth (Member Question No. 250)

Reply:

In 2015-16, the Hong Kong Tourism Board (HKTB) will continue to organise numerous mega events, including a number of sports events in order to uphold Hong Kong's image as the events capital of Asia and enrich visitors' experience in Hong Kong. The HKTB consults the Home Affairs Bureau from time to time during the organisation or promotion of the sports events. In 2015-16, the sports events to be staged by the HKTB include the Hong Kong Dragon Boat Carnival co-organised with the Hong Kong China Dragon Boat Association in July and the first-ever Hong Kong Cyclothon, which is fully supported by the Cycling Association of Hong Kong, China and is planned to be held in September. These two mega sports events are open to overseas athletes and visitors. Meanwhile, the HKTB will promote these events in the overseas markets to attract more visitors to Hong Kong.

In addition, the HKTB will continue to promote large-scale sports events organised by other parties, such as the Hong Kong Marathon, Hong Kong Sevens, Hong Kong Masters and Hong Kong Open, with a view to attracting more visitors to Hong Kong and enriching their travel experience.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)016

(Question Serial No. 6034)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the marketing resources deployed by the Hong Kong Tourism Board (HKTB) for different markets, will the HKTB advise this Committee of the following:

- (a) a breakdown by year and market of the marketing expenditures incurred by the HKTB for different markets in the past 3 financial years;
- (b) the estimated marketing expenditures for different markets set aside by the HKTB in 2015-16; the justifications behind the HKTB's allocation of marketing resources and whether any market survey has been involved; and the findings of any such survey conducted by the HKTB; and
- (c) given that Mainland visitors already account for the overwhelming majority of visitors to Hong Kong, whether the HKTB will consider reducing or even terminating its large-scale tourism promotion campaigns in the Mainland and allocating its resources to other markets; if yes, the details; if no, the reasons for that.

Asked by: Hon CHAN Ka-lok, Kenneth (Member Question No. 251)

Reply:

- (a) & (b) The Hong Kong Tourism Board's (HKTB) marketing expenditure for the past three years, and its estimated budget for 2015-16 allocated to overseas markets are as below:

Markets	2015-16 Proposed budget (\$M)	2014-15 Revised estimates (\$M)	2013-14 (\$M)	2012-13 (\$M)
Mainland China	40.0	40.0	47.3	52.9
Short-haul markets	66.5	56.7	57.9	53.8
Taiwan	12.6	11.7	11.0	16.4
Japan	13.5	13.2	19.4	12.4
South Korea	12.3	11.8	11.7	10.9
Singapore	5.5	4.3	3.6	3.5
Malaysia	3.9	3.9	3.0	3.5
Thailand	3.8	3.8	2.8	2.3
The Philippines	7.1	3.4	3.0	2.9
Indonesia	7.7	4.6	3.4	1.9
Long-haul markets	40.5	42.6	45.5	43.3
Australia	9.0	10.3	10.6	10.5
The US	15.0	15.1	18.3	15.8
Canada	3.2	3.3	3.7	3.9
The UK	6.9	7.4	7.0	6.9
Germany	3.6	3.7	3.3	3.3
France	2.8	2.8	2.7	2.9
New markets	19.6	19.5	20.1	26.1
India	13.6	10.5	8.5	10.8
Russia	3.5	4.8	5.3	6.6
The Gulf Co-operation Council markets	2.0	3.3	4.3	3.9
Vietnam	0.3	0.7	0.7	2.6
The Netherlands	0.2	0.2	1.3	2.2
Total	166.6	158.8	170.8	176.1

* Owing to rounding, the total may differ from the sum of the individual figures.

Each year, the HKTb undertakes a structured planning process to map out its strategies and initiatives for the year ahead, as well as the investment strategies for different visitor source markets, taking into account various factors in the macro environment, such as global economic conditions and market trends, as well as relevant policy directions of the Government. During the process, the HKTb conducts a series of consultation with stakeholders of the local tourism industry, including travel agencies, airlines, hotel owners and management, retailers, food and beverage caterers, attraction operators, and academics.

In 2015-16, the HKTB will continue to focus its resources on 20 key markets, which together generate over 96% of all visitor arrivals to Hong Kong. To maintain a diverse market portfolio and uphold Hong Kong's image as Asia's world city and a premier tourist destination, the HKTB will invest most of its marketing budget in the international markets. Meanwhile, it will continue to closely monitor the latest market developments and adjust its investments when necessary. 76% of the budget for visitor source markets will be allocated to the international markets, while the remaining 24% will be invested in the Mainland market, the majority of which will go into the non-Guangdong areas. In short, the HKTB spends 100% of its resources on drawing overnight visitors. Of the budget allocated to international markets, 63% will be invested in a number of short-haul markets such as Taiwan, Japan, South Korea, Southeast Asia and India, to attract more visitors from them to Hong Kong.

- (c) As regards the Mainland markets, relaxed travel policies implemented by the Mainland government, coupled with aggressive marketing and relaxed visa requirements targeted at Mainland visitors by destinations such as Japan, Indonesia, the United Kingdom, France, the United States, Taiwan, South Korea, Australia and New Zealand mean not only more travel options for Mainland visitors, but also increasingly fierce competition for Hong Kong in the Mainland market, especially in non-Southern China regions.

To increase Hong Kong's tourism receipts from the Mainland market, in 2015-16, the HKTB will further expand its reach in the non-Guangdong regions, with a view to raising the proportion of overnight visitors. It will also step up promotion of visitor offers provided by the local travel and related trade to stimulate visitor spending and assist local traders in opening up more business opportunities.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)017

(Question Serial No. 7043)

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

Subhead (No. & title): (000) Operational expenses

Programme: (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As regards the financial position of the Hong Kong Trade Development Council (HKTDC), would the Government advise of the following:

- a) the total revenues, total government subventions, total expenditure, surpluses and reserve levels of the HKTDC in the last 5 financial years; and
- b) as the HKTDC still have other sources of income apart from government subventions, will the Government consider reviewing and reducing the proportion of subventions to the HKTDC in 2015-16? If yes, what is the specific action plan of the review? If not, what are the reasons?

Asked by: Hon CHAN Ka-lok, Kenneth (Member Question No. 244)

Reply:

The amount of Government subvention to the Hong Kong Trade Development Council (HKTDC), the HKTDC's total income, total expenditure, surplus and reserve level in the past five financial years (i.e. from 2010-11 to 2014-15) are listed below:-

	Financial Year (\$ million)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Government Subvention to HKTDC	375	378	384	390	393
HKTDC's					
- Total Income	2,392	2,434	2,499	2,740	2,735*
- Total Expenditure #	2,289	2,384	2,427	2,739	2,676*
- Surplus	103	50	72	0.2	59*
- Reserve Level	1,097	1,099	1,120	1,122	1,122*

Note: * are the estimated figures.

The HKTDC's expenditures include financial cost.

The Government reviews the subvention for the HKTDC from time to time. Currently, the subvention to the HKTDC is determined having regard to the Government's financial position, the HKTDC's funding requirements, new demands for trade-related services, inflation/deflation situation, and by way of reference to the total amount of trade declaration charges received in the preceding year. In 2015-16, the amount of Government subvention to the HKTDC is \$393 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)018

(Question Serial No. 7044)

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

Subhead (No. & title): (000) Operational expenses

Programme: (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the fairs organised by the Hong Kong Trade Development Council (HKTDC), will the Government advise of the following:

- (a) the details of the fairs organised by the HKTDC during 2014-15, including their names, dates, target participants, number of exhibitors, income and expenditure, with a breakdown by individual fair; and
- (b) considering that the statutory functions of the HKTDC do not include organising trade shows for the general public, and that such shows to promote products or services cannot achieve the target of promoting Hong Kong's external trade, whether the HKTDC will consider organising fewer product shows plainly targeted at the general public and focusing resources on organising trade fairs instead during 2015-16? If yes, what are the details of the specific work plans? If not, what are the reasons?

Asked by: Hon CHAN Ka-lok, Kenneth (Member Question No. 245)

Reply:

- (a) In 2014-15, the Hong Kong Trade Development Council (HKTDC) organised 35 local exhibitions. The HKTDC's total revenue and total expenditure from local exhibitions is estimated to be \$1,609 million and \$1,275 million respectively (figures to be finalised at the end of the financial year). Relevant information of the exhibitions is tabulated below:

	Exhibition title	Date	Target	Number of exhibitors
1	Hong Kong International Lighting Fair (Spring Edition)	6-9 April 2014	Trade	1 081
2	International ICT Expo	13-16 April 2014	Trade	605
3	Hong Kong Electronics Fair (Spring Edition)	13-16 April 2014	Trade	2 764
4	Hong Kong International Home Textiles and Furnishings Fair	20-23 April 2014	Trade	224
5	Hong Kong Houseware Fair	20-23 April 2014	Trade	2 068
6	Hong Kong International Printing & Packaging Fair	27-30 April 2014	Trade	416
7	Hong Kong Gifts & Premium Fair	27-30 April 2014	Trade	4 136
8	Entrepreneur Day	2-3 May 2014	Trade & Public	234
9	Hong Kong International Medical Devices and Supplies Fair	7-9 May 2014	Trade	240
10	Hong Kong Fashion Week for Spring/Summer	7-10 July 2014	Trade	1 255
11	Hong Kong Book Fair	16-22 July 2014	Trade & Public	570
12	Hong Kong International Tea Fair	14-16 August 2014	Trade & Public	233
13	International Conference & Exhibition of the Modernization of Chinese Medicine & Health Products	14-16 August 2014	Trade & Public	132
14	Home Delights Expo	14-18 August 2014	Trade & Public	100
15	Food Expo	14-18 August 2014	Trade & Public	1 182
16	Hong Kong Watch & Clock Fair	3-7 September 2014	Trade & Public	765
17	electronicAsia	13-16 October 2014	Trade	585
18	Hong Kong Electronics Fair (Autumn Edition)	13-16 October 2014	Trade	3 515
19	Hong Kong International Lighting Fair (Autumn Edition)	27-30 October 2014	Trade	2 492
20	Eco Expo Asia - International Trade Fair on Environmental Protection	29 October- 1 November 2014	Trade & Public	308
21	Hong Kong International Building and Hardware Fair	29 October- 1 November 2014	Trade & Public	181

	Exhibition title	Date	Target	Number of exhibitors
22	Hong Kong Optical Fair	5-7 November 2014	Trade	714
23	Hong Kong International Wine & Spirits Fair	6-8 November 2014	Trade & Public	1 007
24	World SME Expo	4-6 December 2014	Trade & Public	369
25	InnoDesignTech Expo	4-6 December 2014	Trade & Public	407
26	Hong Kong International Licensing Show	12-14 January 2015	Trade	318
27	Hong Kong International Stationery Fair	12-15 January 2015	Trade	225
28	Hong Kong Baby Products Fair	12-15 January 2015	Trade	480
29	Hong Kong Toys & Games Fair	12-15 January 2015	Trade	1 990
30	Hong Kong Fashion Week for Fall/Winter	19-22 January 2015	Trade	1 489
31	World Boutique, Hong Kong	19-22 January 2015	Trade & Public	303
32	Education & Careers Expo	5-8 February 2015	Public	770
33	Hong Kong International Diamond, Gem & Pearl Show	2-6 March 2015	Trade	1 875
34	Hong Kong International Jewellery Show	4-8 March 2015	Trade	2 491
35	Hong Kong International Film & TV Market	23-26 March 2015	Trade	about 770*

Note: * is an estimated figure.

- (b) The exhibitions organised by the HKTDC in Hong Kong every year are primarily trade exhibitions, some of which are open to public, e.g. the Hong Kong Book Fair, Food Expo, Home Delights Expo, Eco Expo Asia and Hong Kong International Wine & Spirits Fair etc.. The purposes are to enable exhibitors to test their products in the market and better understand the preference of the buyers, with a view to facilitating their formulation of business strategies. The HKTDC's exhibitions also serve as exchange platforms for the traders to establish business relations and to access the latest information.

The HKTDC reviews, from time to time, whether the content of its exhibitions can meet the need of the industries. The HKTDC will take into account the market trends and demand from the industry when planning for the promotional activities in the year ahead. The HKTDC has set up a total of 15 advisory committees covering various

industries. Fair organising committees were also established for some of its exhibitions. The HKTDC will consult the industry through these committees when formulating its business plan.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)019

(Question Serial No. 1641)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget that the Government will “consider introducing Food Trucks, which is popular abroad, to the mix of Hong Kong’s existing food scene”. How much provision has the Government reserved for commencing the study? When will licences for food trucks be expected to open for public application?

Asked by: Hon CHAN Kam-lam (Member Question No. 34)

Reply:

Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation, food safety and environmental hygiene, etc. with a view to bringing in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea, Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required.

Relevant bureaux and departments will conduct the above study with existing resources. No additional expenses and manpower will be incurred.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)020

(Question Serial No. 1642)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget that the first programme for the Earn and Learn Pilot Scheme for the Retail Industry, which is run by the Vocational Training Council in collaboration with the industry, commenced last September. What was the number of student-trainees admitted to the first programme? (Please provide a breakdown by age group, namely 16-20 years, 21-25 years, 26-30 years and over 30 years.)

Asked by: Hon CHAN Kam-lam (Member Question No.33)

Reply:

There were 198 student-workers participating in the first cohort of the Earn & Learn Pilot Scheme for the Retail Industry as of 11 March 2015. The breakdown in the age groups as specified in the question is as follows –

Age Group	No of Student-workers
16~20	174
21~25	23
26~30	1
Over 30	0

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)021

(Question Serial No. 0748)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the Matters Requiring Special Attention in 2015-16 under Programme (2) of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch), it is mentioned that efforts will be strengthened to promote the business advantages of Hong Kong in the Mainland, Taiwan and ASEAN as well as to attract more multinational companies to set up regional or global operations in Hong Kong. Indeed, the Financial Secretary has pointed out in his Budget Speech that we need to rebuild international investors' confidence in Hong Kong. Will this Committee be informed of how the Government will promote the business advantages of Hong Kong and attract multinational companies to invest in Hong Kong? Will the Government make reference to the practices adopted by Hong Kong's competitors and introduce more effective policy or tax incentives to attract foreign enterprises to set up regional headquarters in Hong Kong?

Asked by: Hon CHAN Kin-por (Member Question No. 28)

Reply:

In 2015-16, InvestHK under the Commerce, Industry and Tourism Branch will continue to prioritise its investment promotion work to support Government policy objectives and accord priority to promoting the business sectors where Hong Kong has a competitive edge, including the financial services, creative industries as well as information and communications technology sectors. InvestHK will conduct investment promotion visits in target markets such as the Mainland, the UK, the US, Germany, France and the Association of Southeast Asian Nations (ASEAN) to attract and assist companies in priority sectors from these markets to set up or expand their business in Hong Kong. Further, InvestHK will organise sector-focused receptions and sponsor major local and overseas

events, with a view to raising Hong Kong's profile and promoting the business opportunities in these priority sectors.

InvestHK will also partner with relevant government departments and organisations such as the Hong Kong Trade Development Council, the Hong Kong Tourism Board, Create Hong Kong, the Hong Kong Science and Technology Parks Corporation, Cyberport and the Hong Kong Stock Exchange to promote Hong Kong's strengths and opportunities for overseas, Mainland and Taiwan companies. It will also organise investment promotion activities in target overseas, Mainland and Taiwan markets with the objective of encouraging and assisting companies in these markets to set up or expand their business in Hong Kong.

Hong Kong maintains an open, liberal and transparent investment environment, free of market entry barrier for foreign investment. Our investment promotion strategy is to provide adequate support services and infrastructure as well as a level-playing field for all companies operating in Hong Kong regardless of their country of origin. Our fundamental strengths and advantages, including free flow of information and capital, rule of law upheld by an independent judiciary, a simple tax regime with low tax rates, a rich pool of talent and professionals, a business-friendly environment as well as excellent infrastructures will continue to attract firms from the Mainland, Taiwan and overseas to set up in Hong Kong. In addition, the unique position of Hong Kong as a gateway to the Mainland has reinforced its status as an ideal location for overseas companies to establish their regional headquarters or offices.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)022

(Question Serial No. 0753)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated provision under Programme (2) Commerce and Industry for 2015–16 is \$244 million which is 35% higher than that of the previous year. According to the Government's explanation, it is mainly due to the increased cash flow requirement for the Measures for Manpower Development of Retail Industry, increased provision for supporting the promotion of intellectual property trading, continued need to support the Economic Development Commission, and the increased estimate for the subscription to the WTO. In addition, two posts will be created in 2015–16. Would the Government advise this Committee of the details of various items of expenditure and the reasons for the increase?

Asked by: Hon CHAN Kin-por (Member Question No. 33)

Reply:

Provision for 2015–16 is \$64.0 million (35.5%) higher than the revised estimate for 2014–15. This is mainly due to the increased cash flow requirement for the Measures for Manpower Development of Retail Industry, increased provision for supporting the promotion of intellectual property (IP) trading, continued need to support the Economic Development Commission, and the increased estimate for the subscription to the World Trade Organization (WTO). The total estimated expenditure of the above mentioned areas of work in 2015-16 is \$116.2 million. The details of the items involved are as follows:

Major items	Brief on the contents of items
(1) To implement Measures for Manpower Development of Retail Industry	To carry on two measures launched in the second half of 2014, namely “Earn & Learn Pilot Scheme for the Retail Industry” and the “Retail Technology Adoption Assistance Scheme for Manpower Demand Management”; and roll out a promotion campaign for the retail industry.
(2) To support the promotion of IP trading	Based on the recommendations of the Working Group on IP trading, a series of new measures including IP consultation to small and medium-sized enterprises, IP manpower training, support for the development of IP intermediary services, and promotion and education campaigns, will be implemented.
(3) To support the Economic Development Commission	Secretariat support for the Economic Development Commission and two of its Working Groups (namely, the Working Group on Convention and Exhibition Industries and Tourism and the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries) is provided by the Commerce and Economic Development Bureau.
(4) Subscription to the WTO	All WTO Members are required to make financial contributions to the WTO annually according to individual Member’s trade share in relation to the total international trade of all WTO Members. The increase in the budget is to cater for the fluctuation in the trade share and exchange rate between Swiss Franc and Hong Kong Dollar.

In addition, the details of the 2 new posts to be created in 2015-16 are as follows:

Post title	Number of post	Job nature and area of work
Senior Treasury Accountant (time-limited for 5 years)	1	To provide additional support for the internal financial control and operation of the funding schemes under this Branch’s purview, including the Mega Events Fund, Earn & Learn Pilot Scheme for Retail Industry, and Retail Technology Adoption Assistance Scheme for Manpower Demand Management.
Accounting Officer I (time-limited for 5 years)	1	
Total posts to be created:	2	

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)023

(Question Serial No. 0144)

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

Subhead (No. & title): (-) -

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

For 2015-16, will the Government inform this Committee of:

- (1) the estimated expenditure on remuneration of the Secretary, the Under Secretary and the Political Assistant of this Bureau respectively?
- (2) the estimated expenditure on entertainment within Hong Kong of the Secretary's office?
- (3) the number of days of and expenditure on official duty visits and study tours overseas and to the Mainland of the Secretary in 2014-15?
- (4) the estimated expenditure on official duty visits and study tours overseas and to the Mainland of the Secretary's office?
- (5) the numbers of days off taken by the Secretary, the Under Secretary and the Political Assistant of this Bureau respectively in 2014-15?

Asked by: Hon CHAN Wai-yip, Albert (Member Question No. 19)

Reply:

(1) For budgetary purposes, the provisions for the salary in respect of the positions of Secretary for Commerce and Economic Development, the Under Secretary for Commerce and Economic Development and the Political Assistant to Secretary for Commerce and Economic Development for 2015-16 are \$3.58 million, \$2.33 million and \$1.25 million respectively.

(2) In 2015-16, the estimate of expenditure on entertainment within Hong Kong for the Director of Bureau's Office is \$100,000.

(3) As at 28 February 2015, the Secretary undertook 38 days of official duty visits outside Hong Kong in 2014-15. The estimated expenditure is \$380,000.

(4) In 2015-16, the estimate of expenditure for the Director of Bureau's office on officials' duty visits outside Hong Kong is \$800,000. The estimated amount includes expenditure for the Secretary and all other officials in the Director of Bureau's Office.

(5) As at 28 February 2015, the numbers of paid vacation leave days taken by the Secretary for Commerce and Economic Development, the Under Secretary for Commerce and Economic Development and the Political Assistant to Secretary for Commerce and Economic Development in 2014-15 were 15.5 days, 5 days and 18 days respectively.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)024

(Question Serial No. 0145)

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

Subhead (No. & title): (000) Operational Expenses

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the operational expenses, staffing and estimated expenditure on the emoluments involved under this programme in 2015-16?

Asked by: Hon CHAN Wai-yip, Albert (Member Question No. 20)

Reply:

In 2015-16, the provision under programme (6) Travel and Tourism is \$238.1 million, including \$57.76 million for the estimated expenditure on emoluments. There are 68 posts in staff establishment.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)025

(Question Serial No. 0146)

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

Subhead (No. & title): (000) Operational Expenses

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What is the estimated expenditure on the emolument of the Commissioner for Tourism under this programme in 2015-16?

Asked by: Hon CHAN Wai-yip, Albert (Member Question No. 21)

Reply:

Under programme (6) Travel and Tourism, the Commissioner for Tourism is an Administrative Officer Staff Grade A post with a notional annual salary cost at mid-point of \$2.64 million in 2015-16.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)026

(Question Serial No. 4279)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under the “matters requiring special attention in 2015-16” of this programme, it is noted that co-ordination work on policy and project initiatives will be continued to facilitate tourism development. In this connection, please inform this Committee:

- (1) the operation expenditure, staff establishment and estimated annual salary expenditure of the Tourism Commission in 2015-16.
- (2) the operation expenditure of the Tourism Commission for promoting Hong Kong in the Mainland in 2015-16.
- (3) the work, staff establishment and estimated annual salary expenditure for 2015-16 of the Team 1 under Tourism Commission, which is primarily responsible for liaising with the Mainland authorities on tourism promotion and development.

Asked by: Hon CHAN Wai-yip, Albert (Member Question No. 86)

Reply:

- (1) In 2015-16, the estimated operating expenditure of the Tourism Commission under the Commerce, Industry and Tourism Branch under Programme (6) is \$238.1 million. The staff establishment is 68 and the estimated expenditure on emoluments is \$57.7 million.

- (2) The Tourism Commission, through the Hong Kong Tourism Board (HKTB), carries out tourism promotion work and the relevant expenditure is included in Programme (7) Subvention: Hong Kong Tourism Board. In 2015-16, the HKTB's total marketing budget for the visitor source markets is estimated to be \$167 million, of which 24% will be invested in the Mainland market, with the bulk going to non-Guangdong areas to attract overnight visitors.
- (3) The major tasks of Team 1 under the Tourism Commission include: (1) to formulate the inbound and outbound tourism policy; (2) to liaise with the Travel Industry Council of Hong Kong; (3) to liaise with Mainland authorities on initiatives in tourism promotion and development; (4) to develop tourism cooperation with Taiwan and Macao as well as other economies; and (5) to co-ordinate efforts to deal with emergency incidents concerning inbound or outbound tourism. In 2015-16, its staff establishment is 7 and the estimated expenditure on emoluments is \$6.038 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)027

(Question Serial No. 4716)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise this Committee of the operational expenses, staff establishment and estimated expenditure in 2015-16 for considering the introduction of food trucks, which are popular abroad, to Hong Kong.

Asked by: Hon CHAN Wai-yip, Albert (Member Question No. 116)

Reply:

Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation, food safety and environmental hygiene, etc. with a view to bringing in more diverse delicacies for tourists and citizens.

Relevant bureaux and departments will conduct the above study with existing resources. No additional expenses and manpower will be incurred.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)028

(Question Serial No. 4748)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Would the Government inform this Committee the operation expenditure, manpower and estimated annual salary expenditure involved for waiving the licence fees of 1 800 travel agents for six months in 2015-16?

Asked by: Hon Albert CHAN Wai-yip (Member Question No. 148)

Reply:

Work related to waiving licence fees for six months for 1 800 travel agents is undertaken by the Travel Agents Registry (TAR) of the Tourism Commission under the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau. The TAR has an establishment of 16. Its departmental expenses and annual salary expenditure in 2015-16 are estimated to be about \$2.63 million and \$8.64 million respectively.

The major functions of the TAR include issuing new licences, renewing licences, suspending / revoking licences, conducting financial surveillance and handling complaints about suspected unlicensed travel agents in accordance with the Travel Agents Ordinance. The TAR also provides support service to the Travel Industry Compensation Fund (TICF) Management Board and undertakes the day-to-day management of the TICF. The expenditure on the work related to waiving licence fees has been included in the overall provisions for 2015-16. As the officers concerned also handle other tasks concurrently, it is difficult to quantify separately the resources required for the work arising solely from waiving licence fees.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)029

(Question Serial No. 0683)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce and Economic Development Bureau (CEDB) stated in the "Brief Description" that it worked to "promote the green tourism products on offer in Hong Kong". Under "Matters Requiring Special Attention in 2015-16", it also stated that the CEDB would "continue to work with the Hong Kong Tourism Board, the tourism sector and relevant government departments in promoting nature-based tourism products." In this connection, will the Government advise this Committee of:

- a. the specific measures adopted to promote green tourism and nature-based tourism products in the past year; and
- b. the Government's plans and the estimated expenditures involved for promoting the above products in 2015-16?

Asked by: Hon CHAN Yuen-han (Member Question No. 2)

Reply:

- a. The Tourism Commission, in collaboration with the Agriculture, Fisheries and Conservation Department (AFCD), the Hong Kong Tourism Board (HKTB), the travel trade and event organisers, has been actively promoting Hong Kong's nature-based green tourism products through the HKTB's "Great Outdoors Hong Kong" platform, covering the Hong Kong Global Geopark of China (the "Geopark"), hiking trails and itineraries featuring outlying islands, etc. The HKTB has also been promoting the city's nature landscape to visitors, international media and overseas trade partners through various channels such as digital media, marketing promotions, public relations, visitor centres, hotlines and trade activities. Detailed marketing activities are as below:

- Targeting visitors and consumers:
To promote various hiking trails and outlying islands, as well as the guided activities and green tourism products of local travel agents and other organisations through different channels, such as digital media, hiking guidebooks, visitor centres and hotlines.
- Targeting overseas media:
To arrange overseas media and online celebrities to experience Hong Kong's outlying islands and green attractions.
- Targeting overseas travel trade:
To encourage the overseas travel trade to include elements of green tourism in the itineraries of visitors, including Meetings, Incentive Travels, Conventions and Exhibitions visitors.

Meanwhile, the TC, in collaboration with the travel trade and relevant departments, has implemented the arrangement of allowing coaches to transport inbound visitors to the East Dam of the High Island Reservoir on a limited scale since June 2012 to further facilitate visitors to go to the Geopark, with a view to promoting nature-based tourists' activities.

To further promote the Geopark, in July 2014 the AFCD established a Volcano Discovery Centre (the Centre) at the Sai Kung Town. The Centre introduces volcanos and volcanic landscape formation over hundred million years ago in Hong Kong and provides one-stop registration to guided land and sea tours to the Geopark.

- b. In 2015-16, the HKTB will continue the above-mentioned promotion work and include the element of green tourism in its promotion initiatives in source markets during key promotional windows. The total marketing budget of the HKTB, including that for the promotion of green tourism is \$352 million, of which around \$500,000 will be spent on the production of the "Great Outdoors Hong Kong" hiking guidebook. This free guidebook, which is available in hard copies for distribution to visitors and on HKTB's website for downloading, aims at deepening visitors' knowledge of Hong Kong's natural landscape and hiking trails, and enriching their in-town experience.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)030

(Question Serial No. 0699)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commercial and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget Speech that the proposal for introduction of food trucks will be considered.

1. What are the related work plans and initial ideas? Will it be stipulated in the licensing conditions that small-scale operations should be the prime consideration in granting the licence?
2. When will the Government embark on the study of introducing food trucks? Will the Government provide an additional "food truck licence" or have the food trucks regulated under the existing licensing regime for hawkers? Will the licensing regimes for hawkers and fixed-pitch hawker stalls be reviewed and the matter of re-issuing itinerant hawker licences be considered in tandem?

Asked by: Hon CHAN Yuen-han (Member Question No. 44)

Reply:

1-2 Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation (including types of operator etc.), food safety and environmental hygiene, etc. with a view to bringing in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea,

Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required.

Meanwhile, in the interest of safeguarding food safety and environmental hygiene, FEHD will continue to take enforcement actions against unlicensed hawkers engaged in selling cooked food.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)031

(Question Serial No. 0709)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the injection of \$500 million to launch a series of measures on a pilot basis in the next 3 years for promoting the development of the fashion industry:

- What are the details? What are the resources allocated for each measure?
- What is the anticipated number of local fashion designers and fashion design graduates who will benefit from the measures? What is the threshold for joining the programme(s)?
- Will the Government consider providing venues for fashion designers to use as studios so as to alleviate their financial burden, as far as rent is concerned? If yes, what are the details? What is the estimated expenditure involved? If not, what are the reasons?

Asked by: Hon CHAN Yuen-han (Member Question No. 46)

Reply:

The Government will consolidate existing and invest new resources, totalling \$500 million, to launch a series of measures on a pilot basis in the next three years. These include promoting Hong Kong's fashion designers and brands through improving local fashion events and participating in those held overseas, rolling out an incubation programme for up-and-coming fashion design start-ups, providing fashion design graduates with overseas internships and study opportunities, subsidising participation in international competitions and exhibitions, and setting up an advisory body for the trade to advise on and co-ordinate the implementation of these measures.

The Government will as a first step set up the advisory body, with a view to working with the advisory body to plan and co-ordinate the details, implementation priority and resources involved of the measures.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)032****(Question Serial No. 2069)**

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the past 5 years, what were the contribution of the tourism industry in terms of percentage share in Hong Kong's annual Gross Domestic Product (GDP)?

Year	Contribution of the tourism industry in terms of percentage share in Hong Kong's annual GDP (%)	
	Inbound tourists	Outbound tourists
2010-11		
2011-12		
2012-13		
2013-14		
2014-15		

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. 673)

Reply:

According to information provided by the Census and Statistics Department (C&SD), the contribution of the tourism industry in terms of percentage share in Hong Kong's annual GDP during 2009-2013 are shown in the table below :

Year ¹	Contribution of the tourism industry in terms of percentage share in Hong Kong's GDP ² (%)	
	Inbound tourism	Outbound tourism
2009	2.5	0.7
2010	3.4	0.9
2011	3.8	0.7
2012	3.9	0.8
2013	4.2	0.8

Note : (1) C&SD does not have the relevant figures for 2014 at this stage.

(2) It refers to nominal GDP at basic prices.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)033

(Question Serial No. 5843)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please inform this Committee of the financial position of the Mega Events Fund (MEF). Has any MEF-supported event ploughed back its surplus into the Fund?

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. 223)

Reply:

The Mega Events Fund (MEF) was established in 2009 following the funding approval of the Finance Committee (FC) of the Legislative Council (LegCo). Since its inception, 10 rounds of applications have been invited and a total maximum sum of \$97 million has been granted to support 24 mega events. FC of LegCo approved in 2012 to allocate \$150 million for extending the operation of the MEF for 5 years and to modify the MEF into a two-tier system. By end February 2015, the MEF has an uncommitted balance of some \$104 million.

Before the extension of the operation of the MEF in 2012, 2 events generated a surplus and a total sum of around \$1.3 million was returned to the Government accordingly. Under the modified Tier-2 Scheme, should the MEF-supported events generate a surplus, the organizers are required to return any unspent funds and operating surplus generated from the events to the Government. Amount of the refund is up to the ceiling of the approved funding for the respective events. The organizers may also apply to the MEF Assessment Committee (AC) for retaining the operating surplus generated from a Tier-2 event for the sole purpose of organizing the same event in the following year in Hong Kong. Under the modified Scheme, the organizer of an MEF-supported event returned a surplus of around \$8,000 to the Government accordingly, while the organizers of another 2 MEF-supported events were approved by the MEF AC to retain the surplus of a total sum of some

\$0.4 million generated from the respective events for organizing the same events in the following year in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)034

(Question Serial No. 3567)

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

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the consultancy studies commissioned by the Commerce and Economic Development Bureau and the departments under its purview for the purpose of formulating and assessing policies, please provide information about the studies in the following format.

a. Please provide details of the public policy studies and strategic public policy studies commissioned with funds allocated from 2011-12 to 2014-15.

Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of study (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?

b. Regarding the consultancy studies commissioned by the Commerce and Economic Development Bureau and the departments under its purview for the purpose of formulating and assessing policies, are there any such projects for which funds have been reserved in 2015-16? If yes, what are the details?

Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of study (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?

Asked by: Hon CHEUNG Kwok-che (Member Question No. 73)

Reply:

(a) The studies on public policy and strategic public policy conducted by Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) and the departments under its purview during the period from 2011-12 to 2014-15 are listed below:

2011-12: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
King & Wood, Gilbert + Tobin	Tender	Consultancy study on preparation of a cross-sector competition law To provide expert services in relation to the introduction of a competition law (continuing the consultancy study in 2010-11)	234,400	June 2007	In progress	The professional advice and research of the consultant supported the Government in working with the Legislative Council Bills Committee on Competition Bill in the scrutiny of the Bill.	Not applicable
M&L Associates Ltd.	Tender	Consultancy on Technical Measures Against Copyright Piracy in the Digital Environment To study and assess the effectiveness of technical measures that are used or have been tried out overseas, and identify the key considerations if these measures were to be introduced in Hong Kong	219,000	March 2012	In progress	Not applicable	Not applicable

2011-12: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
Scott Wilson Ltd.	Tender	Business viability study for the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market	480,600	December 2011	In progress	The Government would make reference to the results of the consultancy study when considering the viability of developing dining and tourist facilities at/near the Aberdeen Wholesale Fish Market.	Not applicable

2012-13: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
Arthur D. Little Asia Pacific Ltd.	Tender	Consultancy study on the future demand and supply of Hong Kong's exhibition facilities (2012)	800,000	February 2012	Completed (October 2012)	The Government will make reference to the result of the consultancy study when considering the long term requirements of exhibition facilities in Hong Kong.	The result of the consultancy study is for Government's internal reference.

2012-13: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
King & Wood, Gilbert + Tobin (King & Wood has merged with another law firm to form the 'King & Wood Mallesons' (金杜律師事務所) since 1.3.2012.)	Tender	Consultancy study on preparation of a cross-sector competition Law To provide expert services in relation to the introduction of a competition law (continuing the consultancy study in 2011-12)	3,356,100	June 2007	Completed (December 2012)	With the professional advice and research support of the consultant, the Government completed the legislative work of the Competition Bill. The Ordinance was enacted by the Legislative Council in June 2012.	The advice from the consultant is for Government's internal consideration.
M&L Associates Ltd.	Tender	Consultancy on Technical Measures Against Copyright Piracy in the Digital Environment To study and assess the effectiveness of technical measures that are used or have been tried out overseas, and identify the key considerations if these measures were to be introduced in Hong Kong (continuing the consultancy study in 2011-12)	511,000	March 2012	In progress	Not applicable	Not applicable

2012-13: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
Scott Wilson Ltd.	Tender	Business viability study for the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market (continuing the consultancy study in 2011-12)	480,600	December 2011	In progress	The Government would make reference to the results of the consultancy study when considering the viability of developing dining and tourist facilities at/near the Aberdeen Wholesale Fish Market.	Not applicable
KPMG Corporate Finance Limited	Tender	Appointment of financial consultant for assessment of proposals and related matters in connection with the Tai Shue Wan redevelopment at Ocean Park To provide consultancy services advising on financial, business, economic, financing arrangement and other relevant aspects for the Tai Shue Wan redevelopment at the Ocean Park	590,200	July 2012	In progress	The Government would make reference to the results of the consultancy study when examining the Tai Shue Wan redevelopment.	Not applicable
Scott Wilson Ltd.	Tender	Consultancy study to identify suitable international mega events to be introduced into Hong Kong under the Mega Events Fund's Tier-1 system	193,800	September 2012	In progress	The Government and the Mega Events Fund (MEF) Assessment Committee (AC) would make reference to the consultant's recommendations when taking forward the MEF Tier-1 scheme.	Not applicable

2013-14: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
AMR International Ltd.	Tender	Demand study for convention and exhibition facilities in Hong Kong	661,200	January 2014	In progress	The Government will, according to future development need and taking into account relevant factors, consider appropriate measures to cater for the development of the convention and exhibition industries.	Not applicable
Institute for International Economic Research of National Development and Reform Commission	Tender	Consultancy services for assessing the implications of Hong Kong's participation in the proposed China-Japan-Korea Free Trade Agreement Study the benefits and implications of Hong Kong's participation in the China-Japan-Korea Free Trade Agreement for China, Japan, Korea and Hong Kong	210,800	September 2013	In progress	The Government will examine the consultancy report and assess if Hong Kong should pursue joining the proposed China-Japan-Korea Free Trade Agreement for strengthening the economic and trade relations with these economies.	Not Applicable
PolyU Technology and Consultancy Company Limited	Tender	Research project on the latest economic development of the greater Pearl River Delta region	624,000	June 2013	Completed (March 2014)	The Government issued a publication on the research project to promote Hong Kong's role as a two-way platform for attracting inward foreign direct investment within the greater Pearl River Delta region.	The publication was made public at an event for the business community in April 2014.

2013-14: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
Ernst & Young	Tender	Research project on the current startup ecosystem in Hong Kong	1,050,000	November 2013	Completed (March 2014)	The Government has made reference to the result of the study to gauge the development of Hong Kong's start-up ecosystem.	The advice of the consultant is for Government's internal consideration.
M&L Associates Ltd.	Tender	<p>Consultancy on Technical Measures Against Copyright Piracy in the Digital Environment</p> <p>To study and assess the effectiveness of technical measures that are used or have been tried out overseas, and identify the key considerations if these measures were to be introduced in Hong Kong</p> <p>(continuing the consultancy study in 2011-12)</p>	<p>—</p> <p>(All the payments were settled in 2011-12 and 2012-13)</p>	March 2012	Completed (June 2013)	The Government made reference to the consultancy study when considering the introduction of technical measures to enhance copyright protection in the digital environment in Hong Kong.	The advice from the consultant was for the Government's internal consideration.

2013-14: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
Bird & Bird	Tender	<p>Consultancy Study in support of the Review of the Patent System in HKSAR</p> <p>To provide consultancy advice on legal, technical and procedural issues relating to implementation of the "original grant" patent system and refinement of the short-term patent system in Hong Kong</p>	<p>—</p> <p>(All the payments will be settled in the coming financial years)</p>	March 2014	In progress	Not applicable	Not applicable
URS Hong Kong Limited (previously known as "Scott Wilson Ltd.")	Tender	<p>Business viability study for the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market</p> <p>(continuing the consultancy study in 2012-13)</p>	106,800	December 2011	Completed (April 2013)	The Government has made reference to the results of the consultancy study when considering the viability of developing dining and tourist facilities at/near the Aberdeen Wholesale Fish Market.	The findings of the study were reported to the Community Affairs and Tourism Development Committee under the Southern District Council and the Legislative Council Panel on Economic Development in January 2013 and September 2013 respectively.

2013-14: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
KPMG Corporate Finance Limited	Tender	<p>Appointment of financial consultant for assessment of proposals and related matters in connection with the Tai Shue Wan redevelopment at Ocean Park</p> <p>To provide consultancy services advising on the financial, business, economic, financing arrangement and other relevant aspects for the Tai Shue Wan redevelopment at the Ocean Park</p> <p>(continuing the consultancy study in 2012-13)</p>	215,700	July 2012	Completed (March 2014)	The Government has made reference to the results of the consultancy study when examining the Tai Shue Wan redevelopment.	The advice from the consultant is for Government's internal consideration.
URS Hong Kong Limited (previously known as "Scott Wilson Ltd.")	Tender	<p>Consultancy study to identify suitable international mega events to be introduced into Hong Kong under the Mega Events Fund's Tier-1 system</p> <p>(continuing the consultancy study in 2012-13)</p>	323,000	September 2012	In progress	The Government and the Mega Events Fund (MEF) Assessment Committee (AC) would make reference to the consultant's recommendations when taking forward the MEF Tier-1 scheme.	Not applicable

2013-14: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
KPMG	Tender	Consultancy services on the financial arrangement for the third hotel development at the Hong Kong Disneyland	291,400	December 2013	In progress	The Government would make reference to the results of the consultancy study when considering the financial arrangement for the hotel development.	Not applicable

2014-15: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
AMR International Ltd.	Tender	Demand study for convention and exhibition facilities in Hong Kong (continuing of the consultancy study in 2013-14)	2,644,900	January 2014	Completed (January 2015)	The Government has accepted the consultant's recommendations.	The Government consulted the Legislative Council Panel on Commerce and Industry in February 2015 on the findings of the study and follow-up actions by the Government.

2014-15: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
Institute for International Economic Research of National Development and Reform Commission	Tender	<p>Consultancy services for assessing the implications of Hong Kong's participation in the proposed China-Japan-Korea Free Trade Agreement</p> <p>Study the benefits and implications of Hong Kong's participation in the China-Japan-Korea Free Trade Agreement for China, Japan, Korea and Hong Kong</p> <p>(continuing the consultancy study in 2013-14)</p>	210,800	September 2013	Completed (December 2014)	The Government will examine the consultancy reports and assess if Hong Kong should pursue joining the proposed China-Japan-Korea Free Trade Agreement for strengthening the economic and trade relations with these economies.	The consultancy study report is for Government's internal consideration.
Bird & Bird	Tender	<p>Consultancy Study in support of the Review of the Patent System in HKSAR</p> <p>To provide consultancy advice on legal, technical and procedural issues relating to implementation of the "original grant" patent system and refinement of the short-term patent system in Hong Kong</p>	2,980,000	March 2014	In progress	The Government will examine the interim reports of the consultancy studies in drawing up the legislative proposals for amending the Patents Ordinance. (project ongoing)	The interim reports of the consultancy studies are for Government's internal consideration.

2014-15: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
CrimsonLogic Pte Ltd	Tender	<p>Consultancy Study on the Development of Government Electronic Trading Services (GETS)</p> <p>The study examines how to develop GETS into a "Single Window", through which one-stop customs clearance can be provided. It also examines how best to further streamline departments' handling of import/export documents.</p>	2,394,495	September 2014	In progress	Not applicable	Not applicable
Mercado Solutions Associates Ltd.	Tender	<p>Perception Surveys for the Retail Industry</p> <p>To assess the public perception of the retail industry. The survey results will help formulate the strategy of the promotion campaign.</p>	162,000	September 2014	Completed (March 2015)	Reference is made to the survey results when formulating the strategy of the promotion campaign.	Results are shared with the Advisory Panel of Retail Manpower Development members for reference.

2014-15: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
URS Hong Kong Limited	Tender	Consultancy study to identify suitable international mega events to be introduced into Hong Kong under the Mega Events Fund's Tier-1 system (continuing the consultancy study in 2013-14)	129,200	September 2012	Completed (May 2014)	The Government and the Mega Events Fund (MEF) Assessment Committee (AC) have made reference to the recommendations made by the consultant when taking forward the MEF Tier-1 scheme.	The consultant's recommendations are for internal reference by the MEF AC and the Government.
KPMG	Tender	Consultancy services on the financial arrangement for the third hotel development at the Hong Kong Disneyland (continuing the consultancy study in 2013-14)	1,165,600	December 2013	Completed (August 2014)	The Government has made reference to the results of the consultancy study when considering the financial arrangement for the hotel development.	The advice from the consultant is for Government's internal consideration.

(b) Provision has been allocated under Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) and the departments under its purview for conducting the following consultancy studies in 2015-16:

2015-16: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of study (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For projects that are expected to be completed this year, is there any plan to make them public? If yes, through what channels? If no, why?
Institute for International Economic Research of National Development and Reform Commission	Tender	<p>Consultancy services for assessing the implications of Hong Kong's participation in the proposed China-Japan-Korea Free Trade Agreement</p> <p>Study the benefits and implications of Hong Kong's participation in the China-Japan-Korea Free Trade Agreement for China, Japan, Korea and Hong Kong</p> <p>(The study was completed in 2014-15. The remaining fees will be settled in 2015-16.)</p>	632,400	September 2013	Completed (December 2014)	The Government will examine the consultancy reports and assess if Hong Kong should pursue joining the proposed China-Japan-Korea Free Trade Agreement for strengthening the economic and trade relations with these economies.	The consultancy study report is for Government's internal consideration.

2015-16: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of study (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For projects that are expected to be completed this year, is there any plan to make them public? If yes, through what channels? If no, why?
Bird & Bird	Tender	<p>Consultancy Study in support of the Review of the Patent System in HKSAR</p> <p>To provide consultancy advice on legal, technical and procedural issues relating to implementation of the "original grant" patent system and refinement of the short-term patent system in Hong Kong</p>	1,000,000 (tentative)	March 2014	In progress	The Government will examine the interim reports of the consultancy studies in drawing up the legislative proposals for amending the Patents Ordinance. (project ongoing)	The interim reports of the consultancy studies are for Government's internal consideration
CrimsonLogic Pte Ltd	Tender	<p>Consultancy Study on the Development of Government Electronic Trading Services (GETS)</p> <p>The study examines how to develop GETS into a "Single Window", through which one-stop customs clearance can be provided. It also examines how best to further streamline departments' handling of import/export documents.</p> <p>(continuing the consultancy study in 2014-15)</p>	6,590,355	September 2014	In progress	Not applicable	To consider the exact arrangements after completion of the consultancy study.

2015-16: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of study (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For projects that are expected to be completed this year, is there any plan to make them public? If yes, through what channels? If no, why?
Mercado Solutions Associates Ltd.	Tender	Perception Surveys for the Retail Industry To assess the public perception of the retail industry and the effectiveness of the promotion campaign.	162,000	Second half of 2015	Under planning	Not applicable	Not applicable
(To be appointed)	Tender	Appointment of a financial adviser to support and provide expert advice to the Government in the discussions with The Walt Disney Company on the Phase 2 Development of the Hong Kong Disneyland Resort	Subject to the result of the tender exercise	Second to third quarter of 2015	Under planning	Not applicable	The advice from the consultant is for Government's internal consideration.
(To be appointed)	Tender	Consultancy study to review "A Symphony of Lights" comprehensively and explore possible options for its way forward	Subject to the result of the tender exercise	Early 2016	Under planning	Not applicable	The advice from the consultant is for Government's internal consideration.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)035

(Question Serial No. 6706)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the extension of the special concessionary measures under the SME Financing Guarantee Scheme, will the Government inform this Committee of:

- (1) the reasons for extending the application period for the special concessionary measures under the SME Financing Guarantee Scheme;
- (2) the estimated number of SME beneficiaries; and
- (3) the estimated expenditure involved?

Asked by: Hon CHEUNG Kwok-che (Member Question No. 594)

Reply:

The Hong Kong Mortgage Corporation Limited (HKMC) launched the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) on 31 May 2012 to provide 80% loan guarantees at concessionary fee rates. The Government provides a total loan guarantee commitment of \$100 billion. As at the end of February 2015, the HKMC has received over 11 000 applications and approved over 9 800 of them, involving a total loan amount of about \$40.5 billion and a total guarantee amount of about \$32.4 billion.

The special concessionary measures are time-limited special measures. The original application period was 9 months, which was later extended twice to the end of February 2015. In the light of the current uncertain external economic environment, the Government has further extended the application period of the special concessionary

measures for one more year up to the end of February 2016 to continue to assist enterprises in obtaining loans in the commercial lending market. The extension of the application period does not involve additional government resources.

As the industry demand in the coming year will be affected by a number of factors, including the prevailing economic situation, we are unable to estimate the number of applications and the number of SME beneficiaries.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)036

(Question Serial No. 6707)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding increasing in the maximum amount of funding support for each project under the SME Development Fund from \$2 million to \$5 million, will the Government advise this Committee on:

- (1) the reasons for increasing the maximum amount of funding support;
- (2) the amount of funds to be injected into the SME Development Fund; and
- (3) the estimated number of SMEs beneficiaries?

Asked by: Hon CHEUNG Kwok-che (Member Question No. 595)

Reply:

The SME Development Fund (SDF) and the SME Export Marketing Fund (EMF) share the approved commitment of the SME Export Marketing and Development Funds, which was launched in 2008. The SDF provides funding support to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies and research institutes) to implement projects which aim at enhancing the competitiveness of Hong Kong's small and medium enterprises (SMEs) in general or in specific sectors. The 2015-16 Budget proposed to inject \$1.5 billion into the SME Export Marketing and Development Funds to support the continued operation of the two Funds and implement improvement measures, including increasing the maximum amount of funding support for each approved project under SDF from \$2 million to \$5 million in order to support applicant organisations to organise projects of a larger scale.

SDF does not provide direct funding support to enterprises. The number of beneficiaries under SDF would depend on the industries involved and the details of individual projects, and is difficult to estimate accurately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)037

(Question Serial No. 0294)

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

Subhead (No. & title): (-) -

Programme: (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Estimates that the Hong Kong Trade Development Council will promote Hong Kong as Asia's global business platform through its flagship events. However, the respective numbers of trade and services promotion events to be organised in the coming year and the participating companies concerned are only 830 and 74 300, which are less than this year? What are the reasons for the decrease? What kind of events will be organised to achieve the aforesaid promotional target?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. 34)

Reply:

The Hong Kong Trade Development Council (HKTDC) originally planned to organise 820 events for promoting Hong Kong's manufacturing and services sectors in 2014. In response to global economic landscape and industries demand, the HKTDC organised additional promotional activities and the response was better than expected. A total of 74 455 companies took part in 841 promotion events last year.

In 2015, the HKTDC plans to organise about 830 promotion events and about 74 300 companies are expected to join. As in the past, the HKTDC will, if needed, organise more promotion events in response to global economic landscape and industries demand.

In 2015-16, the HKTDC will pursue the following work to promote Hong Kong as Asia's global business platform:

(1) Showcase Hong Kong's full range of services through HTKDC's flagship events

- to arrange new sessions at the "Asian Financial Forum" (AFF)'s "Deal Flow" focusing on investment and co-operation opportunities for green technologies, real estate, healthcare and food sectors;
- to expand the exhibition at the "Asian Logistics and Maritime Conference" (ALMC) and enrich the conference content by adding elements of maritime and supply chain management;
- to enhance participation of countries of Association of Southeast Asian Nations as speakers and inbound missions at the AFF and the ALMC;
- to collaborate with Asian and Mainland TV broadcasters to extend the reach of the "Hong Kong International Film and TV Market" (FILMART) to a wider regional audience; and
- to attract more Asian and Mainland companies to participate in the "Hong Kong International Licensing Show" (HKILS) and expand the "Creativity Gallery" zone.

(2) Position Hong Kong as Asia's intellectual property (IP) marketplace and innovation hub

- to expand the concurrent exhibition of the "Business of IP Asia Forum" and launch "Innovation and IP Week" to create synergy and maximise promotion impact;
- to expand the "Asia IP Exchange" (AsiaIPEX) network and leverage AsiaIPEX overseas partners in inbound and outbound missions to deepen technological co-operation;
- to strengthen the element of innovative design and new inventions in the "InnoDesignTech Expo" (IDT Expo), highlighting technology-related sectors such as mobile apps, 3D printing and digital technology;
- to mount "App Zone" at "ICT Expo" and "Invention Zone" at the "Electronics Fairs"; and
- to set up a new consultant office in Israel, with an aim to strengthen its outreach to innovative start-ups in the region.

(3) Establish Hong Kong as the go-to platform for global companies eyeing the Asian region

- to organise "Think Asia, Think Hong Kong" in Toronto of Canada and Chicago of US to promote Hong Kong as Asia's global business platform;
- to organise sector-specific outbound missions to connect Hong Kong service providers, agents, manufacturers and traders with their counterparts in North America; and
- to organise tripartite business missions to Europe and Korea to connect Hong Kong brand agents, Mainland department stores and overseas brand owners.

(4) Position Hong Kong as Asia's international maritime centre

- to engage Mainland provincial governments and Asian countries to form delegations to and mount group pavilions at ALMC;
- to stage a "Hong Kong Pavilion" at "Marintec China" to help Hong Kong service providers explore business opportunities in the Mainland; and

- to organise a roadshow to Germany to connect Hong Kong maritime service providers with the authorities and industry players in Germany.

(5) Leverage the marketing and brand building capability of HKTDC trade fairs to promote Hong Kong as Asia's lifestyle trendsetter

- to open some of the trade fairs for public participation on the last day of the fair period, e.g. "World Boutique" and "Salon de TE", allowing exhibitors to test market potential of their brands;
- to mount "City-wide Promotion" campaigns riding on lifestyle fairs including "World Boutique", IDT Expo, HKILS, FILMART and "Hong Kong International Wine and Spirits Fair" to engage the community; and
- to leverage different media including Twitter, Youtube, Facebook, Weibo and WeChat, etc. to maximise the impact of "City-wide Promotion" campaigns.

(6) Provide a seamlessly integrated online-offline sourcing experience for global traders

- to recruit renowned brands to join the "Small-Order Zone" online transactional platform;
- to leverage HKTDC trade fairs to promote the "Small-Order Zone" online transactional platform for seamless sourcing; and
- to launch a series of thematic e-magazine titles with multimedia contents and enhanced product presentation targeting specific buyers.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)038

(Question Serial No. 0295)

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

Subhead (No. & title): (-) -

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the coming year, one of the work priorities of the Consumer Council is to undertake new studies to support policy advocacy in consumer protection and to promote sustainable consumption. What is the estimated expenditure in this area? Are there any new study projects and how will sustainable consumption be promoted?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. 36)

Reply:

In 2015-16, we will provide time-limited resources of about \$6.3 million to the Consumer Council (CC) to support the CC in undertaking new studies on individual consumption markets, legal protection for consumers and sustainable consumption.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)039

(Question Serial No. 1028)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

There has been a succession of activities targeting against the Mainlanders on shopping trips to Hong Kong recently. Is the Hong Kong Tourism Board (HKTB) still confident of achieving the targets on projected visitor arrivals and per capita expenditure in the coming year as listed in the Estimates?

What measures will the HKTB take to ensure that the various listed objectives for attracting tourists can be achieved?

How does the number of visitor arrivals from different countries in the first two months of this year compare with that of the same period last year?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. 35)

Reply:

To revive Hong Kong's image as a premier travel destination as soon as possible, the Hong Kong Tourism Board (HKTB), together with the travel trade, began to conduct promotions in various short-haul markets in January and February this year so as to attract visitors to Hong Kong.

To maintain a diverse visitor portfolio and uphold Hong Kong's image as Asia's world city and a world-class travel destination, in 2015-16, the HKTB will continue to focus its marketing resources on 20 key visitor source markets, which together generated over 96% of all visitor arrivals to Hong Kong. In particular, the resources to be invested in the international markets will account for 76% of the total marketing resources for all visitor

source markets. The remaining 24% will be invested in the Mainland market, with the bulk going to non-Guangdong areas to attract overnight visitors.

To enhance visitors' desire to travel to Hong Kong, the HKTB will promote Hong Kong's unique and diverse tourism experiences on all fronts, including digital marketing, public relations and consumer fairs.

The HKTB projects that total visitor arrivals to Hong Kong will reach 64.715 million in 2015, which is 6.4% more than that in 2014. The per capita spending of overnight visitors is expected to reach \$8,062, a year-on-year increase of 1.1%. The HKTB will continue to closely monitor the market situation and adjust its strategy in major source markets when necessary.

The following table shows the visitor arrivals to Hong Kong in January 2015:

Market regions	Visitor arrivals in January 2015	Vs. January 2014
Mainland China	4 490 420	+3.3%
Short-haul markets [^]	697 580	-0.4%
Long-haul markets [*]	349 743	+3.3%
New markets ^{**}	71 955	+4.3%
Total	5 609 698	+2.8%

[^]Excluding Mainland China, Vietnam and India

^{*}Excluding markets in the Gulf Co-operation Council (GCC), the Netherlands and Russia

^{**}New markets include India, the GCC markets, the Netherlands, Russia and Vietnam

The actual figures on visitor arrivals to Hong Kong in February are not yet available at this stage as the HKTB is still compiling the information.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)040

(Question Serial No. 1053)

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

Subhead (No. & title): (000) Operational expenses

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2014-15, the major tasks of the Commerce, Industry and Tourism Branch included working with the Competition Commission to prepare for the full implementation of the Competition Ordinance and monitoring the effectiveness of the Trade Descriptions (Unfair Trade Practices)(Amendment) Ordinance 2012 in tackling unfair trade practices that might be deployed in consumer transactions. As these two ordinances, having implemented for a short period of time or pending implementation, will have profound impact on people's livelihood, the Government should continue stepping up publicity and public education.

However, the estimated expenditure this year is 17.4% less than the revised expenditure for 2014-15. Please advise how the above two ordinances can be effectively implemented with the significant budget cut.

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. 11)

Reply:

The estimated provision for 2015-16 under Programme (4) is \$1.9 million (17.4%) lower than the revised estimate for 2014-15. This is mainly due to the exclusion of provision for the salary and allowance of the government officers seconded to the Competition Commission (Commission) which are not required in 2015-16. The decrease will not affect the preparation work for the implementation of the Competition Ordinance and monitoring of the effectiveness of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012.

With the establishment of the Commission in 2013, the provision earmarked for the Commission has been shown under Programme (9) since 2014-15. Under Programme (9), the estimated provision for the Commission's operation in 2015-16 is \$75.9 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)041

(Question Serial No.1054)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in this Programme that during 2014-15, the Government continued the development of the Kai Tak Cruise Terminal (KTCT) with a view to developing Hong Kong into a leading cruise hub in the region. However, the flow of visitors, ancillary commercial facilities and transport connectivity of the KTCT are still unsatisfactory. Please provide the leasing rates of the commercial area of the KTCT and a breakdown of the businesses within the area for the past 2 years.

Incidentally, what specific measures does the Government have in place to develop cruise tourism and the commercial projects in the periphery of the KTCT? What are the establishments and expenditures involved?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. 12)

Reply:

The ancillary commercial areas of the Kai Tak Cruise Terminal ("KTCT") is around 5,600 metre squares, some 80% of which have been leased out and have been open for business in phases since the summer of 2014. There are Chinese restaurants (which could also be used as banquet venue), western restaurant, Hong Kong style tea restaurant and ancillary takeaway section, café, sales counters for various brands, wedding venue operated by a wedding service company, visitor centre of the Hong Kong Tourism Board ("HKTB") and currency exchange shop.

The Tourism Commission has been working closely with the operators of the Kai Tak Cruise Terminal and the Ocean Terminal, as well as the HKTB to foster the development of cruise tourism in Hong Kong. The major initiatives of the HKTB for promoting cruise tourism in 2015-16 include:

(a) Strengthen Hong Kong's image as Asia's cruise hub

- (i) The HKTB will continue to participate in large-scale international industry events, including the Cruise Shipping Miami held in March every year, to promote Hong Kong's appeal and advantages as a cruise destination and to strengthen Hong Kong's image as "Asia's cruise hub".

(b) Foster regional co-operation of cruise tourism

- (i) The HKTB will continue to make use of the "Asia Cruise Fund" which was launched together with the Taiwan Tourism Bureau in April 2014 to provide incentives to encourage cruise lines to develop and promote cruise tourism products which feature the participating ports in the region in order to foster regional co-operation. As at now, Hainan and the Philippines have already announced their participation in the "Asia Cruise Fund", hence extending the scale of the co-operation in the region.
- (ii) In 2015-16, the HKTB will continue to invite other neighbouring ports in the region to join the "Asia Cruise Fund" to further promote the development of cruise tourism in the region, and to encourage more cruise lines to include Hong Kong in their itineraries.

(c) Raise consumers' awareness of and demand for cruise travel

- (i) Since cruise travel is still an emerging mode of tourism, the HKTB will step up its promotional efforts in Southern China, Taiwan, India and Southeast Asia, etc, through public relation events, digital marketing and other channels to promote to consumers the uniqueness of cruise travel and the attractiveness of Hong Kong as a cruise destination. The HKTB will also work with the travel trade to promote cruise tourism products which feature Hong Kong in various source markets with a view to attracting more cruise visitors to Hong Kong.

The HKTB's estimated budget for promoting cruise tourism in 2015-16 is \$13.2 million. Initiatives in this area will be carried out by the HKTB's Cruise Department and relevant worldwide offices.

On the other hand, the Tourism Commission has, through the Advisory Committee on Cruise Industry, been exploring ways to promote the development of cruise tourism in Hong Kong, so as to enhance our position as Asia's cruise hub. The manpower and expenditure of the relevant work have been subsumed within the establishment and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify them separately.

As regards the implementation of commercial developments in the vicinity of the KTCT, the Government has included in the 2015-16 Land Sale Programme a hotel site within the “hotel belt” along the former Kai Tak Runway adjacent to the KTCT. This development is expected to provide some 500 hotel rooms. The Government will endeavour to release the remaining hotel sites within the “hotel belt” to the market by phases. Furthermore, the Government will continue with the studies for taking forward the Kai Tak Fantasy project.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)042

(Question Serial No. 0019)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Budget that relevant departments will be asked to consider introducing Food Truck, which is popular abroad, to the mix of Hong Kong's existing food scene. Please provide details of the following: What are the details of the work of studying the introduction of Food Truck to the mix of Hong Kong's existing food scene? Which departments are responsible and what is the timetable for the study?

Asked by: Hon CHEUNG Yu-yan, Tommy (Member Question No. 19)

Reply:

Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation, food safety and environmental hygiene, etc. with a view to bringing in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea, Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)043

(Question Serial No. 0035)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Budget a study will be conducted on the introduction of Food Truck, which is popular abroad, to the mix of Hong Kong's existing food scene. Please provide details including the responsible departments, the method and scope of the study, and the timetable for the study.

Asked by: Hon CHEUNG Yu-yan, Tommy (Member Question No. 35)

Reply:

Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation, food safety and environmental hygiene, etc. with a view to bringing in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea, Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)044

(Question Serial No. 0040)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip Yung)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide details in relation to the task of continuing to support the further development of wine-related businesses in Hong Kong, including specific measures, manpower deployment and the expenditure required. What were the annual volumes of wine being imported and exported, their respective value and the changes in such figures for the past 3 years, i.e. 2012-13, 2013-14 and 2014-15? How many people were engaged in wine-related businesses and what were the changes in such figures during the same period?

Asked by: Hon CHEUNG Yu-yan, Tommy (Member Question No. 43)

Reply:

Details of our efforts in 2015-16 to support the further development of wine-related businesses are given below –

- (a) trade and investment promotion: this Branch co-ordinates the organisation and promotion work of relevant agencies, including promotion events such as the Wine and Dine Festival and the International Wine and Spirits Fair. The Trade Development Council and the Government's external offices will further assist the industry in capitalising on potential markets not only on the Mainland, but also those in the region. We will also assist the Hong Kong Quality Assurance Agency (HKQAA) in promoting on the Mainland its newly launched wine registration scheme, to underline Hong Kong traders' reputation. In addition, a project supported by the BUD Fund (Organisation Support Programme) will promote on the Mainland our role as a regional wine trading hub;

- (b) clearance facilitation: the Customs and Excise Department (C&ED) will step up promotion of the customs facilitation scheme for wine entering the Mainland through Hong Kong, which has been enhanced since September 2014. The scheme enables wine consignments to get instant customs clearance on arrival at designated Mainland ports;
- (c) manpower training and education: apart from courses run by different institutes, we will assist the industry and the Vocational Training Council to explore the launching of other wine-related courses that satisfy the industry's needs;
- (d) combating counterfeit wine: C&ED's specialised investigation team will continue to ally with the industry to cooperate on market monitoring, and maintain liaison with Mainland and overseas Customs; and
- (e) wine storage: we will continue to assist the HKQAA in promoting its scheme for accrediting wine storage facilities, and take part in the Development Bureau's feasibility study on the long-term strategy for cavern development, exploring the feasibility of housing wine cellars in rock caverns.

The work arising from the implementation of the above measures is being carried out through re-deployment of existing resources. The related expenditure is subsumed under the establishment of and provision for this Branch. It is difficult to quantify such expenditure separately. Regarding the Wine and Dine Festival and the International Wine and Spirits Fair mentioned in (a) above, the costs are met through government subvention, charging of fees and commercial sponsorship.

According to the Census & Statistics Department, the wine trading figures from 2012-13 to 2014-15 for Hong Kong are as follows:

Imports

Year	Total Value (\$ hundred million)	Year-on-year Change	Total Volume (ten million litre)	Year-on-year Change
2014-15 (up to Jan 2015)	74	+8.8%	4.5	+4.5%
2013-14	80	-0.6%	5.0	-1.4%
2012-13	80	-14.8%	5.1	+4.6%

Re-exports

Year	Total Value (\$ hundred million)	Year-on-year Change	Total Volume (ten million litre)	Year-on-year Change
2014-15 (up to Jan 2015)	22	+57.1%	2.0	+24.8%
2013-14	17	+7.4%	1.9	-1.4%
2012-13	16	-23.9%	1.9	-1.6%

As regards the number of people engaged in wine-related businesses, according to a manpower survey for the wine industry conducted at end 2013, there were 54 518 full-time and 13 654 part-time employees.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)045

(Question Serial No. 0282)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip Yung)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The “Matters Requiring Special Attention in 2015-16” under this Programme of the Commerce, Industry and Tourism Branch include strengthening efforts to promote the business advantages of Hong Kong in the Mainland, Taiwan and the Association of Southeast Asian Nations, as well as attracting more multinational companies to set up regional or global operations in Hong Kong. Please inform this Committee of the effectiveness of and the expenditure on the work in this regard in 2014-15. In the new year of 2015-16, what are the new plans or specific initiatives? What are the objectives or expected outcome? How much will the expenditure related with such work be?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 1)

Reply:

In 2015-16, Invest Hong Kong (InvestHK) under the Commerce, Industry and Tourism Branch will conduct marketing campaigns, seminars and investment promotion visits to attract and assist more companies from the Mainland, Taiwan and the Association of Southeast Asia Nations (ASEAN) to set up or expand their business operations in Hong Kong. For the Mainland market, InvestHK will continue to strengthen collaboration with the Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to go global and expand their business overseas, targeting high-growth cities such as Hefei, Shanghai, Nanjing, Nanning, Jinan and Qinquangdao.

As regards the Taiwan market, InvestHK will continue to reach out to a wide spectrum of companies to provide them with necessary support in setting up or expanding their operations in Hong Kong. InvestHK will strengthen its partnership with the Taiwan business community, organise seminars and conduct investment promotion visits in various cities in Taiwan, with the support of its Investment Promotion Unit in the Hong Kong Economic, Trade and Cultural Office in Taiwan. InvestHK will also maintain close liaison with the Taiwan business community in Hong Kong and offer aftercare services to facilitate the expansion of their business.

For the ASEAN markets, InvestHK will strengthen its promotion efforts in 2015-16 through conducting investment promotion visits in target markets, including Singapore, Thailand, Indonesia, Malaysia and the Philippines, to underline Hong Kong's business advantages and to attract more companies to set up business in Hong Kong. InvestHK will also organise other investment promotion events, including local networking receptions for companies, consulates and chambers of commerce from the target ASEAN markets.

The estimated actual expenditure incurred in 2014-15 and the estimated expenditure in 2015-16 for conducting investment promotion activities in the Mainland, Taiwan and ASEAN markets are as follows:

Market	Estimated Actual Expenditure in 2014-15 (HK\$ million)	Estimated Expenditure in 2015-16 (HK\$ million)
Mainland	6	5.4
Taiwan	1	1
ASEAN	0.7	0.7
Total	7.7	7.1

These figures do not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

In 2014, InvestHK completed a total of 75 investment projects from the Mainland, 8 from Taiwan and 15 from ASEAN. InvestHK has raised its target for 2015 to complete 76 investment projects from the Mainland, 11 from Taiwan and 16 from ASEAN.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)046

(Question Serial No. 0284)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this Programme that the Commerce and Economic Development Bureau (CEDB) (Commerce, Industry and Tourism Branch (CITB)) “worked with the Working Group on IP Trading to enhance the development of Hong Kong as a premier IP trading hub in the region”. Will the Government advise this Committee of the achievements of the work in this regard in the past year? What was the expenditure involved? What is the amount of resources earmarked for promoting the development of IP trade in 2015-16 and what are the specific measures and timetable for the promotion?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 3)

Reply:

Set up in March 2013, the Working Group on Intellectual Property (IP) Trading (Working Group) has worked intensively to study and advise on the promotion of IP trading in Hong Kong. In November 2013, the Working Group promulgated a strategic framework (Framework) for forging ahead the development of IP trading. The Framework covers four strategic areas, namely enhancing the IP protection regime; supporting IP creation and exploitation; fostering IP intermediary services and manpower capacity; and pursuing promotion, education and external collaboration efforts.

Actions thus far

In line with the deliberations and advice of the Working Group, various actions have been underway, for example -

(i) enhancing our IP regime –

- we are implementing an “Original Grant Patent” (OGP) system, and are drawing up the requisite amendments to the Patents Ordinance (Cap 514) to provide for the legal framework of the OGP system. Subject to progress, we aim at introducing a bill into the Legislative Council in the first half of this year and launching the OGP system in 2016-17 at the earliest;
- we introduced the Copyright (Amendment) Bill 2014 into the Legislative Council in June 2014, which seeks to strengthen copyright protection in the digital environment, and safeguard users' freedom of expression. A Bills Committee is scrutinising the Bill with our full support;
- we carried out a consultation exercise from November 2014 to February 2015 on the proposed application of the Madrid Protocol to Hong Kong, which may enable trade mark owners to enjoy the convenience of one-stop service in seeking trade mark protection and manage their trade mark portfolio in multiple countries. Taking into account the consultation outcome, the Government will set out the best way forward;

(ii) supporting IP creation and exploitation –

- the Intellectual Property Department (IPD), in collaboration with the IP Committee of the Law Society of Hong Kong (Law Society), launched in December 2014 a 6-month pilot scheme to provide IP consultation services to small and medium-sized enterprises (SMEs). The Hong Kong Trade Development Council (HKTDC) has also broadened the scope of its existing advisory services to help SMEs make better use of their IP;
- the Innovation and Technology Commission (ITC), through the \$5 billion Innovation and Technology Fund, has been financing projects that contribute to innovation and technology upgrading and development. In 2014, ITC launched new improvement measures to promote private sector research and development (R&D), commercialisation of R&D outcomes, and their application in the public sector;

(iii) fostering IP intermediary services and manpower capacity –

- HKTDC launched the Asia IP Exchange (AsiaIPEX), an online IP trading portal, in December 2013 to enhance Hong Kong's online IP trading volume, capabilities and connections. As at end-February 2015, AsiaIPEX has formed alliances with 28 strategic partners local and overseas, and covered over 25 000 entries of tradable IPRs (including copyright, patents, registered design and trade marks);
- IPD commissioned in June 2014 a Survey on IP trading among IP creators, owners and users in Hong Kong. Findings of the survey are expected to be available in the first half of 2015;

(iv) pursuing promotion, education and external collaboration efforts –

- the Government co-organised the 2013 and 2014 Business of Intellectual Property Asia Forum with HKTDC and Hong Kong Design Centre. The tripartite co-organisation will continue this year, with a view to bringing this annual IP flagship event in the region to a strategic level.

Working Group Report

Following considered examination of specific policies and measures in support under the Framework, the Working Group released its Report in March 2015, with a host of recommended actions to “*Position and promote Hong Kong as the premier IP trading hub in Asia*”, which is set as our vision.

The Government has accepted the Working Group Report. Under the policy steer of CITB of CEDB, IPD will continue to work closely with other government departments and public sector and industry bodies (such as HKTDC and the Law Society) to take the recommendations forward.

Resources and Way Forward

To provide dedicated support to the Working Group and to follow up the implementation work, one Chief Executive Officer post was created in CITB in 2014-15 (for 24 months) and the total salary provision for the post is \$1.22 million annually. Other manpower and expenditure required for taking forward IP trading initiatives have been and will continue to be covered by the current establishment of and provision for CITB, IPD and relevant agencies. This includes specifically setting aside \$23 million in the coming three years to support a number of new initiatives, for example -

- (i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to SMEs, having regard to the result of the pilot scheme mentioned above;
- (ii) organising and sponsoring IP manpower training;
- (iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and
- (iv) launching of promotion and public education campaigns.

The Government would also consider extending the scope of tax deduction for capital expenditure incurred on the purchase of IP rights (IPRs) to cover more types of IPRs.

In the course of implementing the recommended actions, the Government would continue to engage and consult relevant stakeholders and industry players to ensure smooth delivery and achieve maximum results.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)047

(Question Serial No. 0285)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary mentioned in paragraph 90 of the Budget Speech that “As an international business centre, Hong Kong is well placed to become a premier IP trading hub providing high value-added IP services in the region. I shall earmark \$23 million in the coming three years for offering IP consultation, manpower training and other services to SMEs. As regards tax deduction for capital expenditure incurred on the purchase of IP rights, I shall consider extending the scope to cover more types of IP rights as appropriate.” In this regard, will the Government advise this Committee of the details of the plan, the allocation of the \$23 million earmarked in the coming three years, as well as the specific ideas and timetable for offering support services to SMEs?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 4)

Reply:

Set up in March 2013, the Working Group on Intellectual Property (IP) Trading (Working Group) has worked intensively to study and advise on the promotion of IP trading in Hong Kong. In November 2013, the Working Group promulgated a strategic framework (Framework) for forging ahead the development of IP trading. The Framework covers four strategic areas, namely enhancing the IP protection regime; supporting IP creation and exploitation; fostering IP intermediary services and manpower capacity; and pursuing promotion, education and external collaboration efforts.

Actions thus far

In line with the deliberations and advice of the Working Group, various actions have been underway, for example -

(i) enhancing our IP regime –

- we are implementing an “Original Grant Patent” (OGP) system, and are drawing up the requisite amendments to the Patents Ordinance (Cap 514) to provide for the legal framework of the OGP system. Subject to progress, we aim at introducing a bill into the Legislative Council in the first half of this year and launching the OGP system in 2016/17 at the earliest;
- we introduced the Copyright (Amendment) Bill 2014 into the Legislative Council in June 2014, which seeks to strengthen copyright protection in the digital environment, and safeguard users' freedom of expression. A Bills Committee is scrutinising the Bill with our full support;
- we carried out a consultation exercise from November 2014 to February 2015 on the proposed application of the Madrid Protocol to Hong Kong, which may enable trade mark owners to enjoy the convenience of one-stop service in seeking trade mark protection and manage their trade mark portfolio in multiple countries. Taking into account the consultation outcome, the Government will set out the best way forward;

(ii) supporting IP creation and exploitation –

- the Intellectual Property Department (IPD), in collaboration with the IP Committee of the Law Society of Hong Kong (Law Society), launched in December 2014 a 6-month pilot scheme to provide IP consultation services to small and medium-sized enterprises (SMEs). The Hong Kong Trade Development Council (HKTDC) has also broadened the scope of its existing advisory services to help SMEs make better use of their IP;
- the Innovation and Technology Commission (ITC), through the \$5 billion Innovation and Technology Fund, has been financing projects that contribute to innovation and technology upgrading and development. In 2014, ITC launched new improvement measures to promote private sector research and development (R&D), commercialisation of R&D outcomes, and their application in the public sector;

(iii) fostering IP intermediary services and manpower capacity –

- HKTDC launched the Asia IP Exchange (AsiaIPEX), an online IP trading portal, in December 2013 to enhance Hong Kong's online IP trading volume, capabilities and connections. As at end-February 2015, AsiaIPEX has formed alliances with 28 strategic partners local and overseas, and covered over 25 000 entries of tradable IPRs (including copyright, patents, registered design and trade marks);
- IPD commissioned in June 2014 a Survey on IP trading among IP creators, owners and users in Hong Kong. Findings of the survey are expected to be available in the first half of 2015;

(iv) pursuing promotion, education and external collaboration efforts –

- the Government co-organised the 2013 and 2014 Business of Intellectual Property Asia Forum with HKTDC and Hong Kong Design Centre. The tripartite co-organisation will continue this year, with a view to bringing this annual IP flagship event in the region to a strategic level.

Working Group Report

Following considered examination of specific policies and measures in support under the Framework, the Working Group released its Report in March 2015, with a host of recommended actions to “*Position and promote Hong Kong as the premier IP trading hub in Asia*”, which is set as our vision.

The Government has accepted the Working Group Report. Under the policy steer of CITB of CEDB, IPD will continue to work closely with other government departments and public sector and industry bodies (such as HKTDC and the Law Society) to take the recommendations forward.

Resources and Way Forward

To provide dedicated support to the Working Group and to follow up the implementation work, one Chief Executive Officer post was created in CITB in 2014/15 (for 24 months) and the total salary provision for the post is \$1.22 million annually. Other manpower and expenditure required for taking forward IP trading initiatives have been and will continue to be covered by the current establishment of and provision for CITB, IPD and relevant agencies. This includes specifically setting aside \$23 million in the coming three years to support a number of new initiatives, for example -

- (i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to SMEs, having regard to the result of the pilot scheme mentioned above;
- (ii) organising and sponsoring IP manpower training;
- (iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and
- (iv) launching of promotion and public education campaigns.

The Government would also consider extending the scope of tax deduction for capital expenditure incurred on the purchase of IP rights (IPRs) to cover more types of IPRs.

In the course of implementing the recommended actions, the Government would continue to engage and consult relevant stakeholders and industry players to ensure smooth delivery and achieve maximum results.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)048

(Question Serial No. 0286)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry, (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in Analysis of Financial and Staffing Provision that 2 and 3 posts will be created in 2015-16 under Programmes (2) and (6) respectively of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch). Please inform this Committee of the details and major responsibilities of the posts, as well as the payroll costs involved.

Asked by: Hon CHUNG Kwok-pan (Member Question No. 5)

Reply:

The details of the 5 new posts to be created under Programmes (2) and (6) in 2015-16 are as follows:

Programme	Post title	Number of post	Total salary provision (\$)	Job nature and area of work
(2)	Senior Treasury Accountant (time-limited for 5 years)	1	1,222,560	To provide additional support for the internal financial control and operation of the funding schemes under this Branch's purview, including the Mega Events Fund, Earn & Learn Pilot Scheme for Retail Industry, and Retail Technology Adoption Assistance Scheme for Manpower Demand Management.
	Accounting Officer I (time-limited for 5 years)	1	651,180	
(6)	Senior Administrative Officer (time-limited for 2 years)	1	1,222,560	To provide support to Government's discussions with The Walt Disney Company on the Phase 2 Development of the Hong Kong Disneyland Resort.
	Senior Executive Officer (time-limited for 2 years)	1	896,280	
	Electrical and Mechanical Engineer (time-limited for 2 years)	1	896,280	To continue to provide technical support to the daily operation of the Kai Tak Cruise Terminal.
Total posts to be created:		5		

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)049

(Question Serial No. 0287)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under "Matters Requiring Special Attention in 2015-16", the Commerce, Industry and Tourism Branch will continue to oversee efforts for seeking better market access and facilitation of trade and investment in the Mainland through the Mainland and Hong Kong Closer Economic Partnership Arrangement, and for ensuring effective implementation of measures announced. What were the results achieved and details of the work in this respect in the last financial year? What was the expenditure incurred? What is the new work plan for the new financial year? Will there be an increase in expenditure to strengthen the work?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 6)

Reply:

The HKSAR Government is committed to assisting Hong Kong businesses in accessing the Mainland market through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), by seeking various preferential and facilitation measures for the trade, lowering the entry threshold and relaxing the scope of services, etc. In December last year, the Mainland and Hong Kong signed the Agreement between the Mainland and Hong Kong on Achieving Basic Liberalization of Trade in Services in Guangdong under CEPA for achieving early basic liberalisation of trade in services in Guangdong Province. On this basis, the HKSAR Government will continue to strive to further open up the Mainland market to the Hong Kong services sectors by broadening and deepening the scope of liberalisation with a view to achieving the goal of basic liberalisation of trade in services between the Mainland and Hong Kong by the end of this year.

The HKSAR Government also attaches great importance to the effective implementation of CEPA. We have been working closely with the Mainland authorities at central, provincial and municipal levels to address and follow up on problems encountered by Hong Kong enterprises in using CEPA liberalisation measures in the Mainland. To further enhance the mechanism for implementation of CEPA measures, the HKSAR Government and the Ministry of Commerce set up a Joint Working Group to discuss the problems encountered by the trade in using CEPA at provincial and municipal levels and achieved positive outcome. In future, Hong Kong and the Mainland will continue to work closely to assist the trade in making better use of CEPA liberalisation measures and gaining greater access to the Mainland market.

Apart from providing free information and advisory services on CEPA, the Trade and Industry Department (TID) has established a notification mechanism with the Mainland authorities to disseminate information in relation to the promulgation of relevant regulations and implementation details on its CEPA website for the trade's reference.

The CEPA-related work outlined above is carried out by different government agencies. The Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) is responsible for the overall policy on CEPA; TID oversees bilateral discussions on further liberalisation and implementation of liberalisation measures under CEPA; and individual bureaux and departments deal with liberalisation and specific implementation issues in the relevant service sectors. The manpower and financial resources involved in the work are absorbed by relevant bureaux or departments. We do not have information on the actual amount. The work is being taken up by the existing manpower of relevant bureaux or departments. No increase in expenditure is required for the time being.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)050

(Question Serial No. 0288)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned under Matters Requiring Attention in 2015-16, the Commerce, Industry and Tourism Branch will continue to monitor developments on various regional economic integration initiatives and explore opportunities for Hong Kong's participation. Please advise what efforts were made in this area in 2014-15? What opportunities did the Government identify for Hong Kong? What was the expenditure involved? How much public funds will be spent in this area in 2015-16? Are there any specific work plans?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 7)

Reply:

The Government will continue to actively participate in regional economic cooperation to strengthen trade and economic relations between Hong Kong and our major trading partners in the region, to ensure that Hong Kong can participate in economic integration in the region, and to bring new opportunities and room for development for Hong Kong enterprises. The major work involves two fronts: (1) regional economic cooperation; and (2) free trade agreements (FTAs) and economic and trade arrangements.

(1) Regional Economic Cooperation

On the regional economic cooperation front, Hong Kong has been actively participating in the Asia-Pacific Economic Cooperation (APEC) to promote broader cooperation in the Asia-Pacific region. Trade between Hong Kong and other member economies of APEC accounts for some 80% of Hong Kong's external trade. APEC has provided an excellent platform for Hong Kong to collaborate with other member economies on various trade and economic issues in the region.

APEC's primary goal is to achieve trade and investment liberalisation and facilitation for economic cooperation and growth. Hong Kong has been maintaining close economic relations with APEC member economies. Any measure which can further improve the business environment and facilitate trade and investment in the region will bring about opportunities for Hong Kong.

As far as trade facilitation is concerned, relevant work which APEC promotes, such as simplifying customs procedures, enhancing business mobility through the APEC Business Travel Card, promoting electronic commerce and establishing mutual recognition arrangements for telecommunications, electrical and electronic equipment, etc. can help improve the region's business environment by saving business costs and time.

Moreover, Hong Kong also participates actively in the work of the Pacific Economic Cooperation Council (PECC). PECC serves as a forum for regional cooperation and policy coordination. It promotes trade and investment activities as well as economic development in the Pacific region through research and policy discussion. Participants to the PECC include government officials, businessmen and academics.

In 2015-16, we will continue to actively participate in the work of the regional cooperation organisations.

(2) FTAs and Economic and Trade Arrangements

The Hong Kong, China – New Zealand Closer Economic Partnership Agreement (CEP Agreement), which entered into force on 1 January 2011, has been implemented smoothly. In 2014-15, we commenced the general review of the CEP Agreement and the review on trade in services together with New Zealand according to the established work plans. In 2015-16, both sides will continue to strengthen trade and economic cooperation between the two places based on the outcomes of the reviews. The FTA between Hong Kong and the Member States of the European Free Trade Association (EFTA) has been operating smoothly since it entered into force in end-2012, and both sides are planning to hold the first Joint Committee meeting this year. As for the FTA between Hong Kong and Chile, it has entered into force in October 2014.

The Association of Southeast Asian Nations (ASEAN) as a whole is the second largest trading partner of Hong Kong in terms of goods and the fourth largest partner in terms of services. We are now actively negotiating an FTA with ASEAN. Forging an FTA with ASEAN will not only allow Hong Kong's goods, services and investments access the ASEAN market under more favourable conditions, but will also enhance Hong Kong's further participation in regional economic integration. The FTA negotiations commenced in July last year and are progressing smoothly. We expect to conclude the negotiations next year, such that Hong Kong businessmen can reap the benefits at the earliest.

We are also exploring a closer economic partnership arrangement with Macao. Both being Special Administrative Regions of the Mainland, forging the arrangement will enhance further economic integration of Hong Kong and Macao, and will constitute a new platform for the Mainland, Hong Kong and Macao to promote cooperation and development in the Greater China economic area.

We will continue to explore possibilities of forging FTAs with other economies in the region and will closely monitor the development of plurilateral FTAs in the region. Should there be suitable opportunities that would be beneficial to Hong Kong, we will positively consider participating in such initiatives at an appropriate timing.

Since Hong Kong signed the economic and trade cooperation arrangements with Malaysia and Thailand in 2009 and 2013 respectively, we have been facilitating and promoting bilateral economic cooperation in various areas with Malaysia and Thailand to further strengthen the economic ties between Hong Kong and the two countries. In 2015-16, we will continue to take forward various initiatives in accordance with the above arrangements. We will also continue to strengthen trade and economic cooperation with other trading partners for promoting regional integration.

The work relating to regional economic integration is part of the overall work of commercial relations and the relevant expenditure has been subsumed under the overall estimated expenditure of the Commerce and Economic Development Bureau and the Trade and Industry Department. It is difficult to account for the expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)051

(Question Serial No. 0289)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2014-15 that the Commerce, Industry and Tourism Branch will “continue to maintain close communication with the Mainland authorities and assist the trade to adjust to changes in Mainland’s policies on processing trade”. What work has the Government done in this area in the past year? How effective was the work? What was the expenditure involved? In view of the recent repeated changes in the Mainland’s policies on processing trade, has the Hong Kong Government assessed the impact of such changes on Hong Kong enterprises? What specific measures will the Government introduce in the coming year to assist Hong Kong enterprises to adjust to changes in the Mainland’s policies on processing trade?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 9)

Reply:

In 2014-15, the Commerce, Industry and Tourism Branch assisted the trade to adjust to changes in the Mainland’s policy on processing trade through the following work:

- maintaining close dialogue with the trade through various channels, so as to understand the trade’s concerns and views; and maintaining close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to relay to them the trade’s views and to discuss with them support measures for the trade;
- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities such as symposiums and seminars through the Trade and Industry Department (TID) and our Mainland Offices to enhance the trade’s

understanding of the Mainland's new policies, legislation and business environment. TID's website includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland;

- organising promotional activities and trade fairs and organising delegations to visit the Mainland through the Hong Kong Trade Development Council (HKTDC), with a view to enhancing the trade's understanding of Mainland policies and market development;
- providing Hong Kong enterprises with support services on technological upgrading, management improvement, branding and market development, etc., and Mainland market information through the HKTDC and the Hong Kong Productivity Council, etc.;
- with regard to financial support, assisting small and medium enterprises (SMEs) through the on-going "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, business restructuring and relocation;
- continuing to implement the Dedicated Fund on Branding, Upgrading and Domestic Sales launched on 25 June 2012 to provide funding support to individual enterprises and non-profit-making organisations, so as to assist enterprises in enhancing their competitiveness and facilitating their business development in the Mainland and capturing the opportunities arising from the National 12th Five-year Plan;
- arranging our Mainland Offices to collaborate with trade associations and other organisations to organise "Hong Kong Week" promotional events in the Mainland in order to promote Hong Kong products and services, with a view to assisting Hong Kong enterprises in building up their brand image and exploring the domestic market; and
- providing platforms for Hong Kong enterprises, particularly SMEs, to showcase their products and build up greater awareness of Hong Kong brands in the Mainland through the expansion of the network of Design Gallery shops in the Mainland by the HKTDC.

The Mainland authorities have responded positively to many proposals of the Government and the trade. Various facilitation and support measures have been launched, including the implementation of "restructuring without stopping production", "consolidated tax return for multiple domestic sales" and streamlining procedures for outward processing. As for the recent adjustments to the policies on processing trade, such as abolishing the bonded taxation policies on imported steel products for processing trade and adjusting the catalogue on prohibited commodities for processing trade, the HKSAR Government has also reflected the concerns and views of the trade to the relevant Mainland authorities. The relevant Mainland authorities have extended accordingly the transitional period before abolishing the bonded taxation policies and removed certain commodity from the catalogue of prohibited commodities.

In 2015-16, we will continue with the above work. The manpower and expenditure of the above-mentioned work have been subsumed within the establishment and provision for this Bureau and the relevant departments and organisations. It is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)052

(Question Serial No. 0450)

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

Subhead (No. & title): (-) -

Programme: (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Trade Development Council (HKTDC) has more than 40 offices worldwide, with 13 in the Mainland. Will the HKTDC set up new overseas offices in 2015-16, particularly in emerging markets, to assist Hong Kong small and medium enterprises in tapping business opportunities and expanding their businesses? If yes, how many will be set up and what are the locations of these offices?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 17)

Reply:

In 2015-16, the Hong Kong Trade Development Council (HKTDC) plans to upgrade its information gathering centre in Singapore to an overseas office to support a range of HKTDC's promotional activities in the Association of Southeast Asian Nations region, and help Hong Kong companies expand their businesses in the region. The HKTDC also plans to set up a new consultant office in Israel, with an aim to strengthen its outreach to innovative start-ups in the region.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)053

(Question Serial No. 0451)

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

Subhead (No. & title):

Programme: (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As regards matters requiring special attention in 2015-16, it was stated that the Hong Kong Trade Development Council would enhance the competitiveness of Hong Kong small and medium enterprises (SMEs) and start-ups in the digital era by assisting them to capture business opportunities arising from the e-tailing trend. What are the specific measures or plans in this respect, and how much will be involved in its implementation?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 18)

Reply:

Small and medium enterprises (SMEs) have all along been the focus of the services of the Hong Kong Trade Development Council (HKTDC). The HKTDC also endeavours to enhance the competitiveness of Hong Kong SMEs and start-ups in the digital era. In 2015-16, the HKTDC will pursue the following work:

(1) Assist Hong Kong SMEs and start-ups to capture business opportunities arising from the e-tailing trend

- to invite internationally renowned e-tailers and online shopping channels to visit trade fairs organised by the HKTDC and connect them with Hong Kong SMEs and start-ups;
- to explore setting up different theme-based online "Design Gallery" (DG) shops in collaboration with major Mainland e-tailing platforms such as Tmall.com and jd.com;
- to organise a series of seminars and workshops to keep Hong Kong SMEs abreast of the global e-tailing trend as well as tips for attracting online transactions; and

- to partner with industry gurus such as Google and Paypal to organise workshops on topics such as online security and e-marketing.

(2) Develop a comprehensive programme to cultivate entrepreneurial spirit and nurture the growth of SMEs and start-ups

- to launch an ICT Start-up Zone in “Entrepreneur Day” to connect start-ups with potential investors, and develop “Entrepreneur Day” into a platform for new start-ups;
- to enhance the “SME and Start-up Portal” and develop it into an interactive platform for Hong Kong and overseas SMEs;
- to develop the “Franchising Hall” at “World SME Expo” into a standalone fair in 2015;
- to introduce economy booths and showcases at more than 25 HKTDC fairs to attract start-ups’ participation; and
- to devise affordable promotion packages to encourage start-ups’ participation in the “Small-Order Zone” of HKTDC trade fairs and on “hktdc.com” to promote their products.

(3) Strengthen engagement with the general public and major stakeholders leveraging social media and mobility trend

- to leverage different media including Twitter, Youtube, Facebook, Weibo and WeChat, etc. to promote HKTDC activities;
- to engage bloggers at HKTDC activities;
- to leverage Weibo to disseminate market intelligence and highlights of speakers at flagship events such as “Asian Financial Forum” and “Business of Intellectual Property Asia Forum”;
- to enrich the content of HKTDC online “Media Room” and provide media partners with news materials, SME success stories and multi-media content, etc.;
- to launch an online “Hong Kong Means Business” vehicle to disseminate business information and enhance customer engagement;
- to launch a mobile version of “hktdc.com” and “HKTDC Research Portal” to facilitate users to access business intelligence and details of promotion events through different mobile devices;
- to enhance the functions of “HKTDC Appgazine” to facilitate global buyers to conduct mobile sourcing;
- to introduce a mobile version of online DG targeting the needs of Mainland users; and
- to launch a mobile version of the “SME and Start-up Portal” dedicated to SMEs and start-ups.

The above are part of the work covered under Programme (3) to be carried out by the HKTDC’s existing staff. We do not have separate breakdown of staff establishment and expenditure for each of them.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)054

(Question Serial No. 0452)

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

Subhead (No. & title): (-) -

Programme: (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in this programme that the Hong Kong Trade Development Council (HKTDC) promotes Hong Kong as a platform for doing business with the Mainland and throughout Asia. What was the effectiveness of the work carried out by the HKTDC in 2014-15 and what was the amount of expenditure involved? Please also advise this Committee whether the HKTDC has any specific plan or strategy in respect of such work in 2015-16? And what are the details of the estimated provisions, staff establishment and expected achievements?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 19)

Reply:

In 2014-15, the Hong Kong Trade Development Council (HKTDC) organised a variety of activities such as trade fairs, business missions, product displays and incoming buying missions etc., bringing a total of over 1 000 small and medium enterprises (SMEs) to countries such as Indonesia, Malaysia, Myanmar, India, Turkey, Russia, Kazakhstan, United Arab Emirates, Oman, South Africa, Brazil, Mexico, Columbia and Peru etc. for market visits and trade promotion, to help Hong Kong companies tap opportunities and expand networks in these markets. In addition, the HKTDC organised the "Lifestyle Expo" in Istanbul in Turkey in September 2014, bringing over 120 Hong Kong SMEs and designers to promote a variety of their quality products. As for promotion of services industries, the HKTDC arranged outbound missions to assist different local services industries in exploring emerging markets. For example, the HKTDC organised a mission to Jakarta in Indonesia for the logistics industry in September 2014 and an infrastructure and real estate services mission to Taiwan in October 2014.

In 2015-16, the HKTDC will pursue the following work to promote Hong Kong as a platform for doing business with the Mainland and throughout Asia. The HKTDC has set aside around \$217 million for initiatives in this aspect:

(1) Showcase Hong Kong's full range of services through HKTDC's flagship events

- to arrange new sessions at the "Asian Financial Forum" (AFF)'s "Deal Flow" focusing on investment and co-operation opportunities for green technologies, real estate, healthcare and food sectors;
- to expand the exhibition at the "Asian Logistics and Maritime Conference" (ALMC) and enrich the conference content by adding elements of maritime and supply chain management;
- to enhance participation of countries of Association of Southeast Asian Nations as speakers and inbound missions at the AFF and the ALMC;
- to collaborate with Asian and Mainland TV broadcasters to extend the reach of the "Hong Kong International Film and TV Market" (FILMART) to a wider regional audience; and
- to attract more Asian and Mainland companies to participate in the "Hong Kong International Licensing Show" (HKILS) and expand the "Creativity Gallery" zone.

(2) Position Hong Kong as Asia's intellectual property (IP) marketplace and innovation hub

- to expand the concurrent exhibition of the "Business of IP Asia Forum" and launch "Innovation and IP Week" to create synergy and maximise promotion impact;
- to expand the "Asia IP Exchange" (AsiaIPEX) network and leverage AsiaIPEX overseas partners in inbound and outbound missions to deepen technological co-operation;
- to strengthen the element of innovative design and new inventions in the "InnoDesignTech Expo" (IDT Expo), highlighting technology-related sectors such as mobile apps, 3D printing and digital technology;
- to mount "App Zone" at "ICT Expo" and "Invention Zone" at the "Electronics Fairs"; and
- to set up a new consultant office in Israel, with an aim to strengthen its outreach to innovative start-ups in the region.

(3) Establish Hong Kong as the go-to platform for global companies eyeing the Asian region

- to organise "Think Asia, Think Hong Kong" in Toronto of Canada and Chicago of US to promote Hong Kong as Asia's global business platform;
- to organise sector-specific outbound missions to connect Hong Kong service providers, agents, manufacturers and traders with their counterparts in North America; and
- to organise tripartite business missions to Europe and Korea to connect Hong Kong brand agents, Mainland department stores and overseas brand owners.

(4) Position Hong Kong as Asia's international maritime centre

- to engage Mainland provincial governments and Asian countries to form delegations to and mount group pavilions at ALMC;
- to stage a “Hong Kong Pavilion” at “Marintec China” to help Hong Kong service providers explore business opportunities in the Mainland; and
- to organise a roadshow to Germany to connect Hong Kong maritime service providers with the authorities and industry players in Germany.

(5) Leverage the marketing and brand building capability of HKTDC trade fairs to promote Hong Kong as Asia's lifestyle trendsetter

- to open some of the trade fairs for public participation on the last day of the fair period, e.g. “World Boutique” and “Salon de TE”, allowing exhibitors to test market potential of their brands;
- to mount “City-wide Promotion” campaigns riding on lifestyle fairs including “World Boutique”, IDT Expo, HKILS, FILMART and “Hong Kong International Wine and Spirits Fair” to engage the community; and
- to leverage different media including Twitter, Youtube, Facebook, Weibo and WeChat, etc. to maximise the impact of “City-wide Promotion” campaigns.

(6) Provide a seamlessly integrated online-offline sourcing experience for global traders

- to recruit renowned brands to join the “Small-Order Zone” online transactional platform;
- to leverage HKTDC trade fairs to promote the “Small-Order Zone” online transactional platform for seamless sourcing; and
- to launch a series of thematic e-magazine titles with multimedia contents and enhanced product presentation targeting specific buyers.

The above are part of the work covered under Programme (3) to be carried out by the HKTDC's existing staff. We do not have separate breakdown of staff establishment and expenditure for each of them. The HKTDC expects that more Hong Kong enterprises will benefit from its work to be done in 2015-16.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)055

(Question Serial No. 0453)

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

Subhead (No. & title): (-) -

Programme: (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Trade Development Council (HKTDC) provides comprehensive development and training programmes to assist Hong Kong companies penetrating new markets and niche sectors. Please give a detailed account of the work undertaken by the HKTDC in this area, the funding involved and the effectiveness in terms of new markets penetrated and niche sectors identified in 2014-15. What are the work plans, estimated provisions, staff establishment and expected achievements in the next financial year 2015-16? Which industries and new overseas markets will be selected for focused development?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 21)

Reply:

Exploring the emerging markets

In 2014-15, the Hong Kong Trade Development Council (HKTDC) assisted Hong Kong companies in developing emerging markets proactively. The HKTDC provided small and medium enterprises (SMEs) with the latest market intelligence through its multimedia portal "HKTDC Research" and a number of research publications. It also organised a variety of activities, such as trade fairs, business missions, product displays and incoming buying missions etc., bringing a total of over 1 000 SMEs to countries such as Indonesia, Malaysia, Myanmar, India, Turkey, Russia, Kazakhstan, United Arab Emirates (UAE), Oman, South Africa, Brazil, Mexico, Columbia and Peru etc. for market visits and trade promotion, to help Hong Kong companies tap opportunities and expand networks in these markets. In addition, the HKTDC organised the "Lifestyle Expo" in Istanbul in Turkey in September

2014, bringing over 120 Hong Kong SMEs and designers to promote a variety of their quality products. As for promotion of services industries, the HKTDC arranged outbound missions to assist different local services industries in exploring emerging markets. For example, the HKTDC organised a mission to Jakarta in Indonesia for the logistics industry in September 2014 and an infrastructure and real estate services (IRES) mission to Taiwan in October 2014.

In 2015-16, the HKTDC will help Hong Kong companies explore business opportunities in emerging markets with strong consumption power such as Association of Southeast Asian Nations (ASEAN) countries, India, the Middle East, Latin America, Central and Eastern Europe etc.. The HKTDC will promote the major export products of Hong Kong in these markets such as electronics, fashion and accessories, watches and clocks, jewellery, gifts and household products etc., as well as the advantages of Hong Kong services industries. For example, the HKTDC will organise Hong Kong product exhibitions in these markets, lead Hong Kong companies to participate in large-scale fairs in these markets, arrange inbound and outbound business missions, invite major importers and distributors from these markets to participate in the HKTDC's fairs and major conventions in Hong Kong, and organise better business matching and networking activities etc.. Some of the highlighted activities are as follows:

- to launch a signature campaign “In Style · Hong Kong” in Jakarta in Indonesia to publicise Hong Kong as a lifestyle trendsetter and promote Hong Kong brands;
- to explore collaboration with the Trade Development Bureau of the Ministry of Commerce of the People’s Republic of China to stage a large-scale product promotion event in Dubai in UAE and New Delhi in India, and develop the “Hong Kong Product Expo” in Dubai into a signature event in the Middle East;
- to organise business missions to New Delhi and other cities in India to explore business opportunities in different sectors including gifts and premiums, autoparts and electronics, information and communication technology, and lifestyle products;
- to organise an IRES mission to help Hong Kong service providers and Mainland developers jointly explore opportunities arising from the urbanisation trend in ASEAN countries such as Thailand and Myanmar;
- to organise roadshows in ASEAN countries and India to promote Hong Kong’s design, marketing and branding services;
- to sponsor key licensing agents of the 2016 Rio Summer Olympic Games in Brazil to visit the HKTDC’s trade fairs in Hong Kong and connect them with Hong Kong exporters;
- to set up a showcase of Hong Kong products at the “House and Gift Fair”, Sao Paulo in Brazil and at the “Mexican Gift Fair” in Mexico City, and reach out to local buyers;
- to organise business missions to Mexico, Brazil, Chile, Poland and Slovakia to explore opportunities for Hong Kong traders in Latin America and Eastern Europe; and
- to organise seminars and workshops to update SMEs with the latest developments of the emerging markets and niche sectors.

Promoting the niche markets

In 2014-15, the HKTDC promoted niche sectors such as green products, pet supplies and baby products proactively. Concrete tasks included arranging a China pet product buying mission to visit Hong Kong, a mission for Hong Kong pet suppliers to Nurnberg, Wiesbaden and Bocholt in Germany, a mission to Shanghai and Suzhou in China for Hong Kong baby products suppliers, a mission to Seoul in Korea and Tokyo in Japan for Hong Kong lifestyle products and pet suppliers, and a mission to Japan for Hong Kong eco sector. The HKTDC also led Hong Kong companies to take part in major trade fairs for niche products in traditional markets, including Interzoo in Nurnberg in Germany, Kind + Jugend in Cologne in Germany, China International Pet Show in Beijing and Global Pet Expo in Orlando in US. In addition, the HKTDC also promoted niche sectors through its trade fairs in Hong Kong, such as the “Hong Kong Baby Products Fair”, the “Eco Expo Asia”, the “World of Pet Supplies” at the “Hong Kong Houseware Fair”, and the setting up of zones for silver products and green products in related fairs. About 500 Hong Kong companies participated in the above-mentioned activities.

In 2015-16, the HKTDC will continue to promote niche sectors through a wide range of activities. Some of the highlights are as follows:

(1) Help Hong Kong companies seize opportunities in eco, silver and baby product sectors

- to organise trade missions to help Hong Kong companies explore the business opportunities in niche sectors such as eco products, silver market, baby and pets. These include China pet supplies buying mission to Hong Kong, baby products mission from emerging markets to Hong Kong, Hong Kong silver market related business mission to Japan and Hong Kong environmental industry mission to Tokyo in Japan; and
- to organise Hong Kong companies to take part in major trade fairs in traditional markets tailored for niche sectors. These include Superzoo in Las Vegas in US, Shanghai International Children Baby Maternity Industry Expo, Kind+Jugend in Cologne in Germany, China International Pet Show in Shanghai and Global Pet Expo in Orlando in the US.

(2) Help Hong Kong companies seize opportunities in the food and agricultural sector

- to organise a food and related technology mission to the US and Canada to help Hong Kong companies explore business opportunities; introduce a food and agriculture-related thematic session at the “Asian Financial Forum” to feature investment opportunities in the sector; use the “Asian Logistics and Maritime Conference” to showcase Hong Kong’s strengths in cold chain and food logistics technologies; organise seminars at the “Food Expo” to promote Hong Kong as an effective platform for food and agricultural products and services targeting the Mainland and ASEAN markets; and tailor business matching sessions to connect major regional buyers with exhibitors of the “Food Expo”.

(3) Position Hong Kong as Asia's intellectual property (IP) marketplace and innovation hub

- to expand the concurrent exhibition of the “Business of IP Asia Forum” and launch “Innovation and IP Week” to create synergy and maximize promotion impact;
- to expand the “Asia IP Exchange” (AsiaIPEX) network and leverage AsiaIPEX overseas partners in inbound and outbound missions to deepen technological co-operation;
- to strengthen the element of innovative design and new inventions in the “InnoDesignTech Expo”, highlighting technology-related sectors such as mobile apps, 3D printing and digital technology;
- to mount “App Zone” at “ICT Expo” and “Invention Zone” at the “Electronics Fairs”; and
- to set up a new consultant office in Israel, with an aim to strengthen its outreach to innovative start-ups in the region.

The above are part of the work covered under Programme (3) to be carried out by the HKTDC's existing staff. We do not have separate breakdown of staff establishment and expenditure for each of them. The HKTDC expects that more Hong Kong companies will benefit from its work to be done in 2015-16.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)056

(Question Serial No. 0454)

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

Subhead (No. & title): (-) -

Programme: (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As indicated in the Matters Requiring Special Attention in 2015-16 under this Programme, the Hong Kong Trade Development Council (HKTDC) will, among others, help build Hong Kong brands in the Mainland market; and capitalise on Mainland's focus on urbanisation and production transformation to deepen the penetration of Hong Kong's service sectors into the Mainland. Please advise this Committee of the concrete plans, estimated provisions, staff establishment and expected effectiveness in this regard. In the 2013-14 Policy Address, the Chief Executive also advocated the development of the Hong Kong brand. What were the expenditure involved and the effectiveness of the relevant work of the HKTDC over the past year?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 22)

Reply:

In 2015-16, the Hong Kong Trade Development Council (HKTDC) has earmarked around \$180 million under the present staff establishment to help Hong Kong enterprises build up sales network in the Mainland through brand building and promotion of Hong Kong products, with a view to assisting them to tap the huge business opportunities in the Mainland market. The HKTDC will also help Hong Kong service sectors capitalise on Mainland's focus on urbanisation and production transformation to deepen penetration into the Mainland market. The measures include the following:

- to stage "Style Hong Kong" shows in various Mainland cities (including Zhengzhou and Changchun) to sell Hong Kong designs and branded products directly to Mainland

consumers. Business matching sessions will also be arranged during the shows to allow Hong Kong enterprises to meet and explore the co-operation opportunities with potential business partners;

- to open more new Design Gallery shops in major cities such as Dalian, and continue to collaborate with department stores in the Mainland to open more “shops-in-shop”;
- to continue to co-operate with online shopping platforms in the Mainland to expand the scale of online Design Gallery shops with a view to helping Hong Kong enterprises grasp business opportunities arising from Mainland’s online shopping trend;
- to organise Hong Kong delegations to participate in Mainland’s major trade fairs to promote Hong Kong’s niche products for, e.g. babies and pets;
- to organise “SmartHK” in Jinan in May 2015 to promote a wide spectrum of Hong Kong services including licensing, information and communication technology (ICT) and new media marketing to enterprises in Shandong Province; “CEO Forum” will be staged concurrently to promote Hong Kong’s services in helping Mainland enterprises transform and upgrade;
- to organise “Hong Kong Creativity in Business” series in Mainland cities such as Ningbo and Suzhou to showcase Hong Kong’s design, marketing, branding and licensing sectors;
- to partner with the Ministry of Culture of the People’s Republic of China and Mainland provincial governments to co-organise licensing seminars in various Mainland cities to encourage Mainland cultural and creative enterprises to promote their brands and move up the value chain through licensing business, and to help commercialise the Mainland’s cultural and creative industries;
- to support Cyberport, Hong Kong Software Industry Association, Hong Kong Retail Technology Industry Association and Hong Kong Wireless Technology Industry Association to organise promotional activities in the Mainland, such as study missions and seminars, to connect Hong Kong’s ICT sector with Mainland counterparts;
- to organise “Building for the Future” event in Jinan to promote Hong Kong infrastructure and real estate services sector;
- to invite officials from the Ministry of Housing and Urban Rural Development of the People’s Republic of China, other urbanisation-related officials as well as major Mainland developers to Hong Kong, and connect them with relevant Hong Kong service providers;
- to organise business missions to second and third-tier Mainland cities to help Hong Kong logistics industry explore partnership opportunities;

- to organise Mainland delegations to attend the “Asian Logistics and Maritime Conference” in Hong Kong and site visits to key Hong Kong logistics and maritime facilities to promote the strengths of Hong Kong as a logistics and maritime hub; and
- to organise missions to Chongqing, Hebei and Hunan to help Hong Kong enterprises capture opportunities in consumer services including education, medical, entertainment and recreation in the Mainland.

As regards the HKTDC’s work in promoting Hong Kong brands and result in 2014-15, the HKTDC staged two “Style Hong Kong” shows in Wuhan and Nanjing. The total number of exhibitors exceeded 360, and more than 860 business matching sessions were arranged. The HKTDC’s relevant expenditure in 2014-15 was around \$55 million.

The HKTDC has been actively expanding its Design Gallery networks in the Mainland to provide platforms for Hong Kong enterprises, particularly small and medium enterprises to showcase their products and build up greater awareness of Hong Kong brands in the Mainland. The HKTDC’s relevant expenditure in 2014-15 was around \$84 million. The HKTDC has opened Design Gallery shops in Beijing, Guangzhou, Qingdao, Shanghai and Chengdu. In addition, the HKTDC collaborated with department stores in the Mainland to open a series of Design Gallery “shops-in-shop” inside the stores. To date, the HKTDC has set up a total of 15 “shops-in-shop” in various Mainland cities, including Beijing(4), Wuhan(3), Shanghai(2), Guangzhou(1), Chengdu(1), Chongqing(1), Harbin(1), Shenyang(1) and Xian(1).

Since their establishment in the Mainland, the Design Gallery shops have attracted the participation of over 300 Hong Kong brands, with products ranging from fashion accessories, jewellery, watches, gifts, houseware and electronic commodities etc.. Many Hong Kong brands have found suitable business partner(s) in the Mainland through the Design Gallery shops and eventually set up their own outlets in different Mainland cities.

As regards electronic platform, the HKTDC has co-operated with Taobao.com since 2010 to set up a business to customer shop. Since March 2014, the HKTDC has also set up a new online shop on JD.com, the second largest online shopping platform in the Mainland, to help Hong Kong enterprises expand domestic sales. More than 500 Hong Kong brands have participated in the two platforms.

The HKTDC expects that more Hong Kong enterprises will benefit from the above work in 2015-16. The expansion of Design Gallery shops in the Mainland will provide effective support to Hong Kong enterprises in exploring domestic sales.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)057

(Question Serial No. 0455)

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

Subhead (No. & title): (-) -

Programme: (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in Matters Requiring Special Attention in 2014-15 that the Hong Kong Trade Development Council (HKTDC) will “help Hong Kong companies capitalise on new business opportunities in the Asian and emerging markets and help Hong Kong exporters take advantage of the gradual recovery of the traditional markets”. Please inform this Committee of the progress and outcome of the efforts made over the past year as well as the expenditure involved. In the new financial year, will HKTDC continue such efforts? If yes, what are the details? What is the amount of provision to be allocated? What is the staff establishment involved and the anticipated effectiveness? If no, what are the reasons?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 23)

Reply:

In 2014-15, the Hong Kong Trade Development Council (HKTDC) helped Hong Kong companies explore business opportunities in the Asian and emerging markets with strong consumption power such as the Association of Southeast Asian Nations (ASEAN) countries, India, the Middle East, Latin America, Central and Eastern Europe etc.. The HKTDC also helped Hong Kong companies further expand their businesses in traditional markets, in particular Germany, the US and Japan. The HKTDC promoted the major export products of Hong Kong in these markets such as electronics, fashion and accessories, watches and clocks, jewellery, gifts and household products etc., as well as the advantages of Hong Kong services industries. For example, the HKTDC organised Hong Kong product exhibitions in these markets, led Hong Kong companies to participate in large-scale

fairs in these markets, arranged inbound and outbound business missions, invited major importers and distributors from these markets to participate in the HKTDC's fairs and major conventions in Hong Kong, and organised better business matching and networking activities etc.. In 2014-15, about 6 000 Hong Kong companies took part in promotional activities organised by the HKTDC in traditional and emerging markets.

To take advantage of the gradual recovery of the traditional markets, the HKTDC will focus on better-performing mature markets such as the US and Germany in 2015-16. As for the emerging markets, the HKTDC will leverage regional hubs including Indonesia, Dubai, India, Brazil, Mexico and Poland as a gateway for the respective markets. The HKTDC will continue the aforementioned work, and some of the highlighted activities are as follows:

(1) Traditional markets

- to organise “Think Asia, Think Hong Kong” in Toronto of Canada and Chicago of US to promote Hong Kong as Asia’s global business platform;
- to enhance the image of “Hong Kong Pavilions” in overseas trade fairs and provide onsite business matching;
- to lead Hong Kong companies to participate in “Who’s Next” in France, “Rooms” in Japan and “Copenhagen Fashion Week” in Denmark;
- to mount “Hong Kong Pavilions” at established trade fairs in the US and Germany targeting the pet supplies and baby products sectors such as Superzoo in Las Vegas in the US and Kind+ Jugend in Cologne in Germany; and
- to showcase Hong Kong green products at established overseas trade fairs such as the consumer electronics fairs IFA in Berlin and CES in Las Vegas, as well as the computer fair CeBIT in Hanover.

(2) Asian and emerging markets

- to launch a signature campaign “In Style · Hong Kong” in Jakarta in Indonesia to publicise Hong Kong as a lifestyle trendsetter and promote Hong Kong brands;
- to explore collaboration with the Trade Development Bureau of the Ministry of Commerce of the People’s Republic of China to stage a large-scale product promotion event in Dubai in United Arab Emirates and New Delhi in India, and develop the “Hong Kong Product Expo” in Dubai into a signature event in the Middle East;
- to organise business missions to New Delhi and other cities in India to explore business opportunities in different sectors including gifts and premium, autoparts and electronics, information and communication technology, and lifestyle products;
- to organise an infrastructure and real estate services mission to help Hong Kong service providers and Mainland developers jointly explore opportunities arising from the urbanisation trend in ASEAN countries such as Thailand and Myanmar;
- to organise roadshows in ASEAN countries and India to promote Hong Kong’s design, marketing and branding services;

- to sponsor key licensing agents of the 2016 Rio Summer Olympic Games in Brazil to visit the HKTDC's trade fairs in Hong Kong and connect them with Hong Kong exporters;
- to set up a showcase of Hong Kong products at the "House and Gift Fair", Sao Paulo in Brazil and at the "Mexican Gift Fair" in Mexico City, and reach out to local buyers;
- to organise business missions to Mexico, Brazil, Chile, Poland and Slovakia to explore opportunities for Hong Kong traders in Latin America and Eastern Europe; and
- to organise seminars and workshops to update small and medium enterprises with the latest developments of the emerging markets and niche sectors.

The above are part of the work covered under Programme (3) to be carried out by the HKTDC's existing staff. We do not have separate breakdown of staff establishment and expenditure for each of them. The HKTDC expects that more Hong Kong companies will join the above promotional activities in 2015-16.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)058

(Question Serial No. 0456)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in Matters Requiring Special Attention in 2015-16 under this Programme, the Commerce, Industry and Tourism Branch will continue efforts in promoting co-operation between Hong Kong and Taiwan on trade, investment and tourism matters. Please inform this Committee of the effectiveness of and expenditure incurred on such work in the past year. Will there be any specific measures in the coming year? What are the estimated expenditure and anticipated effectiveness?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 25)

Reply:

The Hong Kong Special Administrative Region Government has been actively promoting co-operation between Hong Kong and Taiwan in the areas of trade, investment and tourism. Relevant work includes –

- On trade promotion, the Taipei Office of the Hong Kong Trade Development Council (HKTDC) has been promoting Hong Kong's services industries, and encouraging Taiwan brands to co-operate with Hong Kong companies, in order to leverage on Hong Kong's services platform to tap the overseas and Mainland markets together. In 2014-15, the HKTDC organised more than 60 activities, including organising Taiwan enterprises to participate in various exhibitions and forums held in Hong Kong, in Hong Kong and Taiwan with a view to promoting the economic and trade relations between the two places. The HKTDC's relevant expenditure in 2014-15 is around \$7 million.

In 2015-16, the HKTDC will continue to promote trade ties between Hong Kong and Taiwan through organising different activities such as trade fairs, outbound missions, symposiums, seminars, roadshows and business matching activities, etc. In addition, the HKTDC will put more emphasis on promoting sectors where Hong Kong enjoys advantages, such as brand marketing, arbitration, logistics and licensing, etc. The estimated budget of the HKTDC for trade promotion work targeting Taiwan in 2015-16 is around HK\$7 million.

- On investment promotion, Invest Hong Kong (InvestHK) has been active in conducting investment promotion work in Taiwan, encouraging Taiwan companies to leverage on the business advantages of Hong Kong to develop the Hong Kong, Mainland and international markets. Through organising promotional events and seminars, conducting investment promotion visits as well as visiting companies in Taiwan, InvestHK attracted and assisted Taiwan companies to set up or expand their business in Hong Kong. In 2014-15, InvestHK's expenditure on investment promotion work in Taiwan is around \$1 million (not including staff costs or other general expenses funded under Head 144).

In 2015-16, InvestHK will continue to step up the above work, including reaching out proactively to a wide spectrum of Taiwan companies and organising seminars and workshops and visiting enterprises in different cities in Taiwan through its investment promotion unit at the Hong Kong Economic, Trade and Cultural office in Taiwan in order to promote the business advantages of Hong Kong. InvestHK will also maintain contact with representatives of the Taiwan companies and business associations in Hong Kong and provide them with aftercare support. The estimated budget of InvestHK for investment promotion work in the Taiwan market in 2015-16 is about \$1 million (not including staff costs or other general expenses funded under Head 144).

- On tourism, Taiwan is currently Hong Kong's second largest visitor source market. The Hong Kong Tourism Board (HKTb) strives to attract young and family visitors from the Taiwan market to go for vacation in Hong Kong by leveraging on the diverse mega events held in Hong Kong, such as the Hong Kong Wine & Dine Festival, Hong Kong Summer Fun and Hong Kong WinterFest, as promotional platforms, launching promotions through digital marketing and public relations, and rolling out tactical sales of tourism products and consumer activities in partnership with the trade, etc. It also disseminates the latest tourism information on dining and other areas to visitors in the Taiwan market. The revised marketing budget of the HKTb for Taiwan in 2014-15 is \$11.7 million. In 2014, overnight visitor arrivals from Taiwan recorded a 2.7% growth.

In 2015-16, the HKTb will deploy more resources in conducting promotional work in Taiwan, mainly in Taipei and second-tier cities linked with Hong Kong by direct flights (including Taichung, Kaohsiung and Tainan) to attract vacation visitors. The estimated marketing budget of the HKTb for Taiwan in 2015-16 is about \$12.6 million, and the related work will be carried out by the HKTb and its Taipei office. In addition, the HKTb will continue to collaborate with Taiwan and other neighbouring ports through the Asia Cruise Fund, a regional collaboration fund which provides financial incentive

to international cruise lines for supporting part of their costs in marketing and product development to assist the cruise lines to promote their cruise products featuring Hong Kong and other neighbouring ports (including Taiwan). This will in turn encourage international cruise lines to include Hong Kong, Taiwan and other neighbouring ports in their cruise itineraries in Asia, and hence increasing the number of ship calls covering the ports in the region. In 2015-16, the estimated expenditure of the HKTB for the Asia Cruise Fund is around \$4 million. The HKTB expects a 1.4% growth in Taiwan overnight visitor arrivals in 2015.

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

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)059

(Question Serial No. 0457)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary has proposed to extend the application period for special concessionary measures under the SME Financing Guarantee Scheme (SFGS) for one year to 28 February of the next year. In the meantime, the Commerce, Industry and Tourism Branch will continue to monitor the operation of the measures in 2015-16. Please tabulate by trade the number of applications for special concessionary measures under the SFGS, percentage of successful applications, and the reasons for unsuccessful applications in the past year. What is the average processing time for application vetting? Given the one-year extension of application period for special concessionary measures, what is the estimated loan amount involved? Which trades have more pressing needs?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 26)

Reply:

The Hong Kong Mortgage Corporation Limited (HKMC) launched the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) on 31 May 2012 to provide 80% loan guarantees at concessionary fee rates. The Government provides a total loan guarantee commitment of \$100 billion. As at the end of February 2015, the HKMC has received over 11 000 applications and approved over 9 800 of them, involving a total loan amount of about \$40.5 billion and a total guarantee amount of about \$32.4 billion. Excluding 91 applications under processing and 987 applications withdrawn by lending institutions, the overall success rate of applications is about 99.3%. 69 applications have been rejected, and the percentage is about 0.7%. 10 applications were rejected due to failure to meet the eligibility requirements while the reasons for the remaining 59 applications being rejected included poor repayment ability, poor financial

performance and account conduct, high leverage, poor record of accounts receivable, or having pending legal litigation with significant financial impact, etc.

The number of applications approved under the special concessionary measures by sector is as follows:

Sector	No. of Applications Approved	Percentage of Total Applications Approved
Manufacturing	2 473	25.1%
Textiles and clothing	491	5.0%
Electronics	230	2.3%
Plastics	193	2.0%
Printing and publishing	174	1.8%
Others	1 385	14.0%
Non-manufacturing	7 396	74.9%
Trading	4 528	45.9%
Wholesale and retail	835	8.4%
Engineering	274	2.8%
Construction	262	2.6%
Transportation/logistics	237	2.4%
Others	1 260	12.8%
Total	9 869	100.0%

The SFGS including the special concessionary measures is administered in accordance with prudent commercial principles. All guarantee applications should meet the requirements for obtaining a guarantee under the SFGS and enterprises should provide relevant documents. In general, the HKMC would notify the lending institutions of the result of the applications in writing in about three working days upon receipt of complete information from them, and would issue the guarantee after the lending institutions have completed further relevant documents. The HKMC streamlined the arrangements in September 2014, whereby the HKMC may issue the guarantee directly in three working days the fastest without first issuing a notification of result if the lending institution submits all the required documents during application.

As the loan amount involved and industry demand in the coming year will be affected by a number of factors, including the prevailing economic situation, we are unable to provide the relevant estimates.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)060

(Question Serial No. 0458)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated financial provision for commerce and industry in 2015-16 is \$244.2 million, which is \$64 million (35.5%) higher than that of 2014-15. This is mainly due to the increased cash flow requirement for the Measures for Manpower Development of Retail Industry, increased provision for supporting the promotion of intellectual property trading, continued need to support the Economic Development Commission, and the increased estimate for the subscription to the World Trade Organization. In addition, 2 posts will be created in 2015-16. What are the details?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 10)

Reply:

Provision for 2015-16 is \$64.0 million (35.5%) higher than the revised estimate for 2014-15. This is mainly due to the increased cash flow requirement for the Measures for Manpower Development of Retail Industry, increased provision for supporting the promotion of intellectual property (IP) trading, continued need to support the Economic Development Commission, and the increased estimate for the subscription to the World Trade Organization (WTO). The total estimated expenditure of the above mentioned areas of work in 2015-16 is \$116.2 million. The details of the items involved are as follows:

Major items	Brief on the contents of items
(1) To implement Measures for Manpower Development of Retail Industry	To carry on two measures launched in the second half of 2014, namely “Earn & Learn Pilot Scheme for the Retail Industry” and the “Retail Technology Adoption Assistance Scheme for Manpower Demand Management”; and roll out a promotion campaign for the retail industry.
(2) To support the promotion of IP trading	Based on the recommendations of the Working Group on IP trading, a series of new measures including IP consultation to small and medium-sized enterprises, IP manpower training, support for the development of IP intermediary services, and promotion and education campaigns, will be implemented.
(3) To support the Economic Development Commission	Secretariat support for the Economic Development Commission and two of its Working Groups (namely, the Working Group on Convention and Exhibition Industries and Tourism and the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries) is provided by the Commerce and Economic Development Bureau.
(4) Subscription to the WTO	All WTO Members are required to make financial contributions to the WTO annually according to individual Member’s trade share in relation to the total international trade of all WTO Members. The increase in the budget is to cater for the fluctuation in the trade share and exchange rate between Swiss Franc and Hong Kong Dollar.

In addition, the details of the 2 new posts to be created in 2015-16 are as follows:

Post title	Number of post	Job nature and area of work
Senior Treasury Accountant (time-limited for 5 years)	1	To provide additional support for the internal financial control and operation of the funding schemes under this Branch's purview, including the Mega Events Fund, Earn & Learn Pilot Scheme for Retail Industry, and Retail Technology Adoption Assistance Scheme for Manpower Demand Management.
Accounting Officer I (time-limited for 5 years)	1	
Total posts to be created:	2	

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)061

(Question Serial No.2545)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In "Matters Requiring Special Attention in 2015-16" under this Programme, it is noted that the Commerce, Industry and Tourism Branch will continue to support the Hong Kong Tourism Board in Meetings, Incentive Travels, Conventions and Exhibitions (MICE) promotion work. Please inform this Committee of the expenditures and outcomes in this respect in the past year. What will be the new measures and plans for 2015-16? Will there be increased provision for strengthening the promotion work? What will be the expected outcomes?

Asked by: Hon CHUNG Kwok-pan (Member Question No.39)

Reply:

Overnight business and MICE visitors who usually have higher spending power are our prime targets. One of the Government's major tourism development strategies is to further enhance the appeal of Hong Kong as a premier destination for MICE tourism in the region. The revised estimate of the Hong Kong Tourism Board (HKTB) for promoting MICE tourism in 2014-15 is \$49.1 million, including the annual additional provision of \$15 million for 3 years from 2014-15 onwards. In 2014, we received over 1.81 million overnight MICE visitors, representing an increase of 11.1% over 2013.

To attract more high-spending MICE visitors and international MICE events to Hong Kong with the aim of strengthening the image of Hong Kong as the "World's Meeting Place", the major relevant promotion work conducted by the HKTB in 2015-16 will include:

Meetings and incentives (M&I)

- joining hands with local partners to participate in various international trade shows to foster ties with the M&I trade members;
- strengthening connection with large-scale corporations, together with airlines and major venue operators in Hong Kong to provide M&I organizers and visitors with special hospitality services and offers;
- motivating travel agents to promote Hong Kong as the ideal destination for M&I trips to their corporate clients through an award programme;
- stepping up promotion efforts in targeting private enterprises in the Mainland; and
- organizing road shows, together with the local travel trade and key attractions, in various Indian cities to promote special products for M&I visitors.

Conventions

- focusing resources on the European and American markets and targeting six strategic sectors (i.e. medical science, social science, science, technology, engineering, and commerce) in bidding for large-scale conventions and reputable small and medium-sized conventions;
- leveraging industry events such as IMEX as outreach platforms in Europe and the US to engage key associations and conference organizers;
- forming strategic partnerships with professional associations and professional conference organizers in Europe and the US, as well as persuading them to stage their large-scale conferences and small-sized business conferences but with recurrent nature in Hong Kong; and
- strengthening the connection between associations in the Mainland and their corresponding local chapters in Hong Kong, and organizing familiarization trips for associations headquartered in big cities like Beijing and Shanghai to gain a better understanding of Hong Kong's competitive edge as a MICE destination.

Exhibitions

- showcasing Hong Kong's edge at international industry events, together with key partners from the local exhibition sector; and
- assisting organizers in marketing their events and working with the travel trade to provide exhibition visitors with customized travel packages, special offers and hospitality support to enrich their experience, with a view to retaining recurrent events and attracting new ones.

In 2015-16, the HKTb plans to spend \$47 million on MICE promotion, including the annual additional provision of \$15 million for 3 years from 2014-15 onwards. The HKTb will continue to make good use of the relevant provision so as to bring more international MICE events and high-spending MICE visitors to Hong Kong.

The HKTB projects that overnight MICE arrivals in 2015 will record a year-on-year increase of 4.7% to reach 1.9 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)062

(Question Serial No. 2546)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In "Matters Requiring Special Attention in 2015-16" under this Programme, it is stated that the Hong Kong Tourism Board will lay the foundation for long-term cruise development and aggressively reinforce Hong Kong's position as Asia's cruise hub. Please inform this Committee the details of the work as well as the estimated expenditures and manpower involved.

Asked by: Hon CHUNG Kwok-pan (Member Question No. 40)

Reply:

The major initiatives of the Hong Kong Tourism Board ("HKTB") for promoting cruise tourism in 2015-16 include:

(a) Strengthen Hong Kong's image as Asia's cruise hub

- (i) The HKTB will continue to participate in large-scale international industry events, including the Cruise Shipping Miami held in March every year, to promote Hong Kong's appeal and advantages as a cruise destination and to strengthen Hong Kong's image as "Asia's cruise hub".

(b) Foster regional co-operation of cruise tourism

- (i) The HKTB will continue to make use of the "Asia Cruise Fund" which was launched together with the Taiwan Tourism Bureau in April 2014 to provide

incentives to encourage cruise lines to develop and promote cruise tourism products which feature the participating ports in the region in order to foster regional co-operation. As at now, Hainan and the Philippines have already announced to join the “Asia Cruise Fund” and hence further extending the scale of the co-operation in the region.

- (ii) In 2015-16, the HKTB will continue to invite other neighbouring ports in the region to join the “Asia Cruise Fund” to further promote the development of cruise tourism in the region, and to encourage more cruise lines to include Hong Kong in their itineraries.

(c) Raise consumers’ awareness of and demand for cruise travel

- (i) Since cruise travel is still an emerging mode of tourism, the HKTB will step up its promotional efforts in South China, Taiwan, India and Southeast Asia, etc, through public relation events, digital marketing and other channels to promote to consumers the uniqueness of cruise travel and the attractiveness of Hong Kong as a cruise destination. The HKTB will also work with the travel trade to promote cruise tourism products which feature Hong Kong in various source markets with a view to attracting more cruise visitors to Hong Kong.

The HKTB’s estimated budget for promoting cruise tourism in 2015-16 is \$13.2 million. Initiatives in this area will be carried out by the HKTB’s Cruise Department and relevant worldwide offices.

On the other hand, the Tourism Commission has been, through the Advisory Committee on Cruise Industry, exploring ways to promote the development of cruise tourism in Hong Kong, so as to enhance our position as the Asia’s cruise hub. The manpower and expenditure of the relevant work have been subsumed within the establishment and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)063

(Question Serial No. 2550)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, one of the major tasks of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) (CITB) is to formulate policies to support small and medium enterprises (SMEs). Please advise this Committee of the policy measures the CITB introduced to support SMEs in the past year and provide a breakdown of the expenditure involved. Please also advise on the measures to be taken by the CITB in 2015-16 to support SMEs and the respective expenditure involved.

Asked by: Hon CHUNG Kwok-pan (Member Question No. 44)

Reply:

The Government attaches great importance to the development of SMEs. We review the various support measures from time to time in order to provide adequate and timely support to SMEs.

The existing measures and new initiatives implemented by the Commerce, Industry and Tourism Branch to support SMEs in 2014-15 and 2015-16 and their relevant expenditure are as follows:

- (1) The Hong Kong Mortgage Corporation Limited (HKMC) launched the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) on 31 May 2012 to provide 80% loan guarantees at concessionary fee rates. The Government provides a total loan guarantee commitment of \$100 billion. The special concessionary measures are time-limited special measures. The original application period was 9 months, which was later extended twice to the end of February 2015. In

the light of the current uncertain external economic environment, the Government has further extended the application period of the special concessionary measures for one more year up to the end of February 2016 to continue to assist enterprises in obtaining loans in the commercial lending market. The extension of the application period does not involve additional government resources. As at the end of February 2015, the HKMC has received over 11 000 applications and approved over 9 800 of them, involving a total loan amount of about \$40.5 billion and a total guarantee amount of about \$32.4 billion.

- (2) The three existing SME funding schemes under the Trade and Industry Department, namely the SME Loan Guarantee Scheme (SGS), the SME Export Marketing Fund (EMF) and the SME Development Fund (SDF), assist SMEs in obtaining finance, exploring markets and enhancing the overall competitiveness. The Government proposed to inject \$1.5 billion into the SME Export Marketing and Development Funds, increase the maximum amount of funding support for each project under the SDF from \$2 million to \$5 million and to expand the scope of the EMF to strengthen the support for SMEs. We will consult the Small and Medium Enterprises Committee and the Legislative Council Panel on Commerce and Industry on the proposals, before seeking funding approval from the Finance Committee.

Provision for the SME funding schemes is under Programme (3) Support for Small and Medium Enterprises and Industries of Head 181 Trade and Industry Department. In 2014, a total of around \$1.13 billion loan guarantees were issued under the SGS, and grants of around \$217 million and \$17.2 million were approved under the EMF and the SDF respectively. In 2015, it is estimated that a total of around \$1.14 billion loan guarantees would be issued under the SGS, and grants of around \$220 million and \$18.0 million would be approved under the EMF and the SDF respectively.

- (3) On the intellectual property (IP) front, following the recommendations of the Working Group on IP Trading, the Government would set aside \$23 million in the coming three years and work with the IP sector to launch a series of new initiatives, including the provision of free consultation services to raise the IP awareness of SMEs and help them properly protect, manage and make good use of IP with a view to driving business growth. The Intellectual Property Department (IPD) would also launch an IP Manager Scheme, which seeks to support SMEs in building up their manpower capacity on IP management and commercialisation.
- (4) The \$1 billion Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012 to provide funding support to Hong Kong enterprises and non-profit-distributing organisations to assist enterprises in enhancing their competitiveness and furthering their business development in the Mainland. Up to the end of December 2014, 267 and 44 applications have been approved under the Enterprise Support Programme and the Organisation Support Programme of the BUD Fund respectively. The total amount of funding approved is about \$263 million. Another 19 applications from enterprises were granted conditional approval, the final approval of which and the amount of grants will be subject to further information submitted by the applicants. Provision for the BUD Fund is under Programme (3)

Support for Small and Medium Enterprises and Industries of Head 181 Trade and Industry Department. The estimated expenditure in 2015-16 is \$98.6 million.

- (5) The Hong Kong Trade Development Council (HKTDC) has been actively expanding its Design Gallery networks in the Mainland to provide platforms for Hong Kong enterprises, particularly SMEs, to showcase their products and build up greater awareness of Hong Kong brands in the Mainland. HKTDC has opened Design Gallery shops in Beijing, Guangzhou, Qingdao, Shanghai and Chengdu. In addition, HKTDC has collaborated with department stores in the Mainland to open a series of Design Gallery “shops-in-shop” inside the stores. To date, HKTDC has set up a total of 15 “shops-in-shop” in various Mainland cities, including Beijing(4), Wuhan(3), Shanghai(2), Guangzhou(1), Chengdu(1), Chongqing(1), Harbin(1), Shenyang(1) and Xi’an(1). As regards electronic platform, HKTDC has co-operated with Taobao.com since 2010 to set up a business to customer shop. Since March 2014, HKTDC has also set up a new online shop on JD.com, the second largest online shopping platform in the Mainland, to help Hong Kong enterprises expand domestic sales. HKTDC’s relevant expenditure in 2014-15 was around \$84 million. In 2015-16, HKTDC would continue with the above work with an estimated expenditure of \$105 million.
- (6) The Retail Technology Adoption Assistance Scheme for Manpower Demand Management was launched in December 2014 to support the retail industry (in particular SMEs) to adopt technologies for enhancing their productivity, managing the manpower demands and improving work conditions. The funding of \$50 million is expected to support about 1 000 SMEs. The estimated expenditure in 2015-16 depends on the number of applications.
- (7) The Hong Kong Export Credit Insurance Corporation (ECIC) has launched a "Small Business Policy" (SBP) scheme for Hong Kong enterprises with an annual business turnover of less than \$50 million since 1 March 2013, providing exporters with more flexibility in taking out insurance cover. This measure is implemented within the ECIC’s overall budget, and does not involve additional government resources. As at 28 February 2015, the ECIC has approved 1 309 applications with the total value of insured business amounting to over \$4.5 billion.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)064

(Question Serial No. 2551)

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

Subhead (No. & title): (-) -

Programme: (9) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this programme, what is the progress of preparation done by the Competition Commission for the implementation of the Competition Ordinance? On publicity efforts to enable the public to understand and to comply with the Ordinance, what has been done in the past year and what is the effectiveness? In 2015-16, what publicity efforts will be made to strengthen the public's understanding of the Competition Ordinance? In particular, will publicity efforts be focused on owners of small and medium enterprises (SMEs), with a view to increasing SMEs' understanding of the Ordinance? What is the expenditure on such publicity efforts and what is the implementation timetable? Meanwhile, what assistance will be given to the business sector, in particular SMEs, so that they are well prepared for the full implementation of the Competition Ordinance?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 46)

Reply:

Since its establishment, the Competition Commission ("the Commission") has worked to prepare for the full implementation of the Competition Ordinance ("the CO"). In 2014-15, the Commission's priority was to draft guidelines related to the implementation of the CO as required by the CO. After an engagement exercise to collect public views in mid-2014, the Commission published a set of six draft guidelines in October 2014 for public comment. The Commission is currently reviewing the submissions received and revising the draft guidelines before consulting the Legislative Council.

During the past year, the Commission has been actively reaching out to the public and businesses to explain the key elements and benefits of the CO as well as to collect views on the guidelines. Since mid-2014 the Commission has conducted over 130 briefings and meetings with the major chambers, a wide range of industry associations, representatives of small and medium-sized enterprises (SMEs) and various professional bodies. In addition,

five seminars for SMEs and the public were organised and well attended. A brochure was published in December 2014 to assist SMEs in understanding their rights and obligations under the CO. The Commission has also been working with trade and industry associations to assist their members to comply with the CO. The Commission also produced and broadcast a series of TV/radio Announcement of Public Interests and an educational video.

In 2015-16, the Commission will continue to roll out engagement and advocacy programmes which include meetings and seminars, participation in events targeting SMEs as well as liaison with trade and industry associations. Educational materials including brochures targeting different audiences and self-assessment tools for businesses are being prepared. The Commission will also launch extensive promotional campaigns targeting the general public including roving exhibitions, TV and radio programmes, and other media and advertising initiatives in both traditional media and online platforms.

The Commission expects that these advocacy and education programmes will enhance public understanding of the CO, enable businesses to have a better grasp of the provisions of the CO, and facilitate their necessary preparation for the full implementation of the CO.

The Commission's estimated budget for 2015-16 includes a budgetary item of \$6.5 million for publicity and public consultation activities, but the figure does not include staff costs or other general expenses which cannot be separately itemised.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)065

(Question Serial No. 2554)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2015-16, the Commerce, Industry and Tourism Branch will strengthen efforts to promote the business advantages of Hong Kong in the Mainland, Taiwan and ASEAN as well as to attract more multinational companies to set up regional or global operations in Hong Kong. Please inform this Committee of the results achieved and expenditure involved in the past year. For the coming year, i.e. 2015-16, what new plans or specific measures are there? What targets or results are expected to be achieved? What will be the expenditure involved?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 53)

Reply:

In 2015-16, Invest Hong Kong (InvestHK) under the Commerce, Industry and Tourism Branch will conduct marketing campaigns, seminars and investment promotion visits to attract and assist more companies from the Mainland, Taiwan and the Association of Southeast Asian Nations (ASEAN) to set up or expand their business operations in Hong Kong. For the Mainland market, InvestHK will continue to strengthen collaboration with the Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to go global and expand their business overseas, targeting the high-growth cities such as Hefei, Shanghai, Nanjing, Nanning, Jinan and Qinhuangdao.

As regards the Taiwan market, InvestHK will continue to reach out to a wide spectrum of companies to provide them with the necessary support in setting up or expanding their operations in Hong Kong. InvestHK will strengthen its partnership with the Taiwan

business community, organise seminars and conduct investment promotion visits in various cities in Taiwan, with the support of its Investment Promotion Unit in the Hong Kong Economic, Trade and Cultural Office in Taiwan. InvestHK will also maintain close liaison with the Taiwan business community in Hong Kong and offer aftercare services to facilitate the expansion of their business.

For the ASEAN markets, InvestHK will strengthen its promotion efforts in 2015-16 through conducting investment promotion visits in target markets, including Singapore, Thailand, Indonesia, Malaysia and the Philippines, to underline Hong Kong's business advantages and to attract more companies in setting up business in Hong Kong. InvestHK will also organise other investment promotion events, including local networking receptions for companies, consulates and chambers of commerce from the target ASEAN markets.

The estimated actual expenditure incurred in 2014-15 and the estimated expenditure in 2015-16 for conducting investment promotion activities in the Mainland, Taiwan and ASEAN markets are as follows:

Market	Estimated Actual Expenditure in 2014-15 (HK\$ million)	Estimated Expenditure in 2015-16 (HK\$ million)
Mainland	6	5.4
Taiwan	1	1
ASEAN	0.7	0.7
Total	7.7	7.1

These figures do not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

In 2014, InvestHK completed a total of 75 investment projects from the Mainland, 8 from Taiwan and 15 from ASEAN. InvestHK has raised its target for 2015 to complete 76 investment projects from the Mainland, 11 from Taiwan and 16 from ASEAN.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)066

(Question Serial No. 2555)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, the Commerce, Industry and Tourism Branch will continue to work with the Trade and Industry Department and the Hong Kong Productivity Council to implement the Dedicated Fund on Branding, Upgrading and Domestic Sales (the BUD fund) to assist Hong Kong enterprises in enhancing their competitiveness and promote sales in the Mainland domestic market. Will the Government inform this Committee of the implementation of the BUD fund in the past year? What effectiveness has been achieved with regard to the efforts in supporting Hong Kong enterprises to develop their brands, upgrade and restructure their operations and promote sales in the Mainland domestic market? What are the work indicators in 2015-16?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 54)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched in June 2012. In 2014, 239 and 19 applications (excluding all applications withdrawn) under the Enterprise Support Programme (ESP) and the Organisation Support Programme (OSP) of the BUD Fund respectively were processed. Of them, 71 ESP applications and 8 OSP applications were approved, and the total amount of funding approved is about \$58.3 million. Another 19 ESP applications were granted conditional approval; the final approval of such applications and the amount of grants will be subject to further information submitted by the applicants.

Most of the projects are still in progress. We will continue to closely monitor the operation of the BUD Fund and assess its effectiveness in due course.

We will continue to implement the BUD Fund in 2015-16 to assist Hong Kong enterprises in enhancing their competitiveness and furthering business development in the Mainland through developing brands, upgrading and restructuring operations and developing the domestic sales market.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)067

(Question Serial No. 2558)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary mentioned in paragraphs 54 and 55 of the Budget Speech that Hong Kong's textiles and clothing industry has a solid foundation. Promoting collaboration between fashion design and the clothing industry to move them up the value ladder will enable them to generate greater economic benefits. The Financial Secretary agreed to consolidate the existing resources and invest new resources, totalling \$500 million, to launch a series of measures on a pilot basis in the next three years. The Government will also set up an advisory body for the trade to advise on and co-ordinate the implementation of these measures. Please inform this Committee of the details and implementation timetable of the aforementioned work.

Asked by: Hon CHUNG Kwok-pan (Member Question No. 59)

Reply:

The Government will consolidate existing and invest new resources, totalling \$500 million, to launch a series of measures on a pilot basis in the next three years. These include promoting Hong Kong's fashion designers and brands through improving local fashion events and participating in those held overseas, rolling out an incubation programme for up-and-coming fashion design start-ups, providing fashion design graduates with overseas internships and study opportunities, subsidising participation in international competitions and exhibitions, and setting up an advisory body for the trade to advise on and co-ordinate the implementation of these measures.

The Government will as a first step set up the advisory body, with a view to working with the advisory body to plan and co-ordinate the details, implementation priority and resources involved of the measures.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)068

(Question Serial No. 0862)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. What are the details of introducing Food Trucks similar to those overseas as mentioned in the Budget? Does it mean that the Government will re-issue new itinerant hawker licences on cooked food?
2. In order to avoid causing nuisances to the public, will the Government discuss with the 18 District Councils to hear local views before deciding on introducing Food Trucks to a district?
3. Does the phasing-out policy still apply to the itinerant cooked food hawkers using traditional Chinese wooden cart? Will there be supporting measures to help these hawkers convert to operating Food Trucks with priority?
4. Are there any studies on the ways to change overseas Food Trucks into eateries featuring street food culture of Hong Kong?

Asked by: Hon CHUNG Shu-kun, Christopher (Member Question No. 39)

Reply:

- 1,2,4 Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation (including types of operator and types of food to be sold), food safety and environmental hygiene etc. with a view to bringing

in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea, Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required. When drawing up the detailed plan, we will conduct consultation as appropriate.

- 3 Meanwhile, in the interest of safeguarding food safety and environmental hygiene, FEHD will continue to take enforcement actions against unlicensed hawkers engaged in selling cooked food.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)069

(Question Serial No. 0870)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (1) There have been many instances of large-scale and violent protests that sought to insult and drive away Mainland visitors in recent years, tarnishing the image of Hong Kong and Hong Kong people in the eyes of Mainland visitors. In this connection, will the Government consider undertaking promotion initiatives in the Mainland to reverse the Mainlanders' negative impression of Hong Kong as a Tourism Capital?

Asked by: Hon CHUNG Shu-kun, Christopher (Member Question No. 47)

Reply:

The incidents of harassment of tourists in recent years have damaged the reputation of Hong Kong as a leading tourist destination. They have affected the operations of some shops in the tourist area. They have also disrupted Hong Kong's public order. Hong Kong is Asia's world city and welcomes visitors from around the world coming here on business or for sight-seeing. We believe Hong Kong people are rational and will continue to extend our warm welcome to tourists from different places, and to ensure a pleasant experience for them during their stay.

As regards promotional efforts in the Mainland, the Hong Kong Tourism Board (HKTB) will roll out new videos on its "My Time for Hong Kong" promotional platform in collaboration with nationwide media organisations and online video platforms in 2015-16, and broadcast them on TV and digital marketing channels to promote Hong Kong's hospitable culture and unique tourism experiences. The HKTB will also promote relevant themes to Mainland consumers through newspapers, magazines, outdoor promotions and other channels in the market.

In addition, through its website and other online channels as well as promotional materials, the HKTB will inform visitors of the areas requiring attention while in Hong Kong, including language and culture, transportation, communications, emergency and public hygiene, so that they would have a basic understanding of the different aspects of the Hong Kong society.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)070

(Question Serial No. 1375)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The number of visitor arrivals to Hong Kong reached 60.80 million in 2014. Please inform this Committee of :

1. the following information related to visitor arrivals as set out in the table below:

Source Markets	Number of Visitor Arrivals
Mainland China	
Same-day Visitor	
Mainland Visitors travelling under the Individual Visit Scheme (IVS) (excluding those with Multiple-Entry Endorsements)	
Mainland Visitors not travelling under the IVS (excluding those with Multiple-Entry Endorsements)	
Mainland Visitors travelling on Multiple-Entry Endorsements	
Short-haul markets (excluding Mainland China)	
Long-haul markets	
Overnight Visitors	
Mainland Visitors travelling under the IVS (excluding those with Multiple-Entry Endorsements)	
Mainland Visitors not travelling under the IVS (excluding those with Multiple-Entry Endorsements)	
Mainland Visitors travelling on Multiple-Entry Endorsements	
Short-haul markets (excluding Mainland China)	
Long-haul markets	

2. the information on the number of visitor arrivals travelling on multiple-entry endorsements in 2014 as listed in the table below:

Number of visits to Hong Kong by travellers on Multiple-Entry Endorsements in 2014	Number of overnight visitor arrivals	Number of same-day visitor arrivals
Under 5		
5 or above		
10 or above		
20 or above		
50 or above		
100 or above		

Asked by: Hon FAN Kwok-wai, Gary (Member Question No. 59)

Reply:

- (1) According to the statistics provided by the Hong Kong Tourism Board, the number of overnight and same-day visitor arrivals in 2014 by source markets are listed in the table below :

Source Markets	Number of Visitors	
	Overnight Visitors	Same-day Visitor
Mainland China	19.08 million	28.17 million
General Mainland IVS arrivals (excluding arrivals travelling on multiple-entry IVS endorsements)	9.18 million	7.30 million
Mainland arrivals travelling on multiple-entry IVS endorsements	1.20 million	13.65 million
Non-IVS Mainland arrivals	8.69 million	7.22 million
Short-haul markets (excluding Mainland China)	5.40 million	3.58 million
Long-haul markets	3.29 million	1.32 million

Note : Individual figures may not add up to the total due to rounding.

- (2) The data compiled by the Immigration Department indicates that, among Mainland visitors travelling to Hong Kong on multiple-entry individual visit endorsements in 2014, the majority of them (i.e. accounting for around 96% of the total) came to Hong Kong once on the day of arrival; around 3.5% (i.e. around 1 000 persons per day) made two trips to Hong Kong on the day of arrival; and only less than 1% of the total (i.e. around 30 persons per day) made three trips or more to Hong Kong on the day of arrival.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)071

(Question Serial No. 1376)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget Speech that the Government will allocate an additional \$80 million for the Hong Kong Tourism Board (HKTB) to step up its promotion efforts in the coming year. Please provide details of the activities to be organised by the HKTB with the above allocation in 2015 and the expenditure involved.

Name of activity	Date/Time	Target market	Expenditure involved

Asked by: Hon FAN Kwok-wai, Gary (Member Question No. 58)

Reply:

The Government will provide an additional funding of \$80 million to the Hong Kong Tourism Board (HKTB) in 2015-16 for strengthening the image of Hong Kong as a premier tourist destination. The HKTB plans to use the additional funding for conducting a series of targeted promotions in major short-haul markets (such as Taiwan, South Korea and various Southeast Asian countries) from April to December 2015, including:

Activity	Estimated costs (\$)
Stepping up overseas media publicity and promotions	20 million
Organising promotion campaigns in two phases, including organising shopping festivals, offering merchandise concessions and electronic discount coupons for visitors in collaboration with the retail industry; advertising and publicising these promotions in the overseas markets	55 million
Arranging large-scale familiarisation tours for overseas travel trade	2.5 million
Expanding the scale of overseas promotion fairs this year and waiving local traders' participation fees	2.5 million

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)072

(Question Serial No. 3302)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It was stated in the Budget Speech that consideration would be given to introducing Food Trucks, which are popular abroad, to the mix of Hong Kong's existing food scene. Please advise on:

- a. the Policy Bureau to be responsible for considering the matter and the expected completion time for its consideration;
- b. whether it is the case that, as the Secretary for Commerce and Economic Development has remarked, the proposed Food Trucks will not be allowed to operate in an itinerant fashion, and the reasons for that; and
- c. the main food items to be sold by the proposed Food Trucks.

Asked by: Hon HO Chun-yan, Albert (Member Question No. 49)

Reply:

a - c Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation (including locations of operation and types of food to be sold etc.), food safety and environmental hygiene, etc. with a view to bringing in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea, Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)073

(Question Serial No. 4485)

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

Subhead (No. & title): (-) -

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide details of the duty visits made by the Secretary and Under Secretary in the past 5 years, and set out in chronological order the following information for each visit: (a) purpose and place of visit; (b) post titles of officials met; (c) size of entourage and post titles; (d) days of visit; and (e) total expenditure involved, including expenses on (i) transportation (air tickets and local transportation); (ii) accommodation; (iii) meals; (iv) banquets or entertainment; and (v) gifts.

Date	(a)	(b)	(c)	(d)	(e)	(i)	(ii)	(iii)	(iv)	(v)

Asked by: Hon HO Sau-lan, Cyd (Member Question No. 95)

Reply:

In the above-mentioned financial years, the actual amounts of expenditure on official entertainment (both in and outside Hong Kong) of the Director of Bureau's Office are about \$139,000, \$82,000, \$121,000, \$81,000 and \$109,000 (as at 28 February 2015) respectively. In line with the Government's green policy, public officers should as far as possible refrain from bestowing gifts/souvenirs to others during the conduct of official activities. According to the existing guidelines, where bestowal of gifts/souvenirs is necessary or unavoidable due to operational, protocol or other reasons, the gift/souvenir items should not be lavish or extravagant and the number should be kept to a minimum. Also, the exchange of gifts/souvenirs should only be made from organisation to organisation. As we do not specifically maintain separate accounts for the expenses on the procurement of gifts and souvenirs, relevant statistics are not available.

Relevant information on the overseas duty visits of the Secretary for Commerce and Economic Development and the Under Secretary for Commerce and Economic Development in the above-mentioned financial years is as follows:

Secretary for Commerce and Economic Development

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses ^{Note} (C)	Total expenditure (A)+(B)+(C)
2010-11 (16 times)	Shanghai, Guangzhou, Japan (Sapporo, Beppu, Yokohama and Tokyo), Beijing, Denmark (Copenhagen), Sweden (Stockholm), Taipei, Israel, Shenzhen, Switzerland (Davos), Germany (Berlin) and Spain (Barcelona)	To attend meetings and events, and promote Hong Kong (e.g. meetings of Asia-Pacific Economic Cooperation, ceremonies of promotional events, meetings with government officials, local organisations and Hong Kong people)	1-2 each time	About HK\$441,000	About HK\$49,000	About HK\$52,000	About HK\$542,000
2011-12 (15 times)	USA (San Francisco and Honolulu), France (Paris), Switzerland (Zurich, Geneva and Davos), Beijing, Chengdu, Urumqi, Taipei, Nanchang, Taiyuan, Shanghai and Chongqing	To attend meetings and events, and promote Hong Kong (e.g. meetings of Asia-Pacific Economic Cooperation, ceremonies of promotional events, meetings with government officials, local organisations and Hong Kong people)	1-2 each time	About HK\$518,000	About HK\$36,000	About HK\$45,000	About HK\$599,000

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses ^{Note} (C)	Total expenditure (A)+(B)+(C)
2012-13 (19 times)	Wuhan, Japan, (Sandai, Tokyo and Osaka), France (Paris), Russia (Kazan, St. Petersburg and Vladivostok), Hangzhou, Urumqi, Guangzhou, Dongguan, Ningbo, Shanghai, Tianjin, Beijing, Shenzhen, Cambodia (Phnom Penh), Singapore and Indonesia (Lombok and Jakarta)	To attend meetings and events, and promote Hong Kong (e.g. meetings of Asia-Pacific Economic Cooperation, ceremonies of promotional events, meetings with government officials, local organisations and Hong Kong people)	1-2 each time	About HK\$328,000	About HK\$24,000	About HK\$50,000	About HK\$402,000
2013-14 (21 times)	Guangzhou, Indonesia (Surabaya and Bali), Beijing, Xiamen, Zhengzhou, Belgium (Brussels), France (Paris), USA (New York, San Francisco and Los Angeles), New Zealand (Auckland and Wellington), Xian, Guiyang Chongqing, Nanning, Dongguan, Switzerland (Zurich and Davos) and South Korea (Seoul)	To attend meetings and events, and promote Hong Kong (e.g. meetings of Asia-Pacific Economic Cooperation, ceremonies of promotional events, meetings with government officials, local organisations and Hong Kong people)	1-2 each time	About HK\$417,000	About HK\$49,000	About HK\$49,000	About HK\$515,000
2014-15 (as at 28.2.2015) (21 times)	Chongqing, France (Paris), Myanmar (Nay Pyi Taw and Yangon), Qingdao, Nanjing, Beijing, Taichung, Taipei, Shenzhen, Harbin, Guangzhou, Xinhui, Vietnam (Ho Chi Minh City), South Korea (Seoul), Shanghai, USA (Los Angeles) and Japan (Tokyo and Osaka)	To attend meetings and events, and promote Hong Kong (e.g. meetings of Asia-Pacific Economic Cooperation, ceremonies of promotional events, meetings with government officials, local organisations and Hong Kong people)	1-2 each time	About HK\$306,000	About HK\$38,000	About HK\$39,000	About HK\$383,000

Under Secretary for Commerce and Economic Development (the position was vacant from 28 June 2011 to 15 October 2013)

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of overseas duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses ^{Note} (C)	Total expenditure (A)+(B)+(C)
2010-11 (6 times)	France (Paris), Yangzhou, Shanghai, Japan (Gifu) and Guangzhou	To attend meetings and events (e.g meeting of Asia-Pacific Economic Cooperation,)	0	About HK\$94,000	About HK\$8,000	About HK\$11,000	About HK\$113,000
2011-12 (0 time)	N. A.	N. A.	N. A.	HK\$0	HK\$0	HK\$0	HK\$0
2012-13 (0 time)	N. A.	N. A.	N. A.	HK\$0	HK\$0	HK\$0	HK\$0
2013-14 (0 time)	N. A.	N. A.	N. A.	HK\$0	HK\$0	HK\$0	HK\$0
2014-15 (as at 28.2.2015) (7 times)	Xiamen, Dongguan, Guangzhou, Huizhou, Shenzhen and Fuzhou	To attend meetings and events (e.g Hong Kong-Shenzhen Cooperation Meeting)	0	About HK\$8,000	About HK\$1,000	About HK\$1,000	About HK\$10,000

Note: Other expenses include charges for subsistence allowance for duty outside Hong Kong and sundry expenses (if applicable).

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)074****(Question Serial No. 4613)**

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

Subhead (No. & title): (000) Operational expenses

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the records management work of your bureau and the departments under its purview over the past year:

1. Please provide information on the number and rank of officers designated to perform such work. If there is no officer designated for such work, please provide information on the number of officers and the hours of work involved in records management duties, and the other duties they have to undertake in addition to records management;

2. Please list in the table below information on programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal:

Category of records	Years covered by the records	Number and Linear metres of records	Retention period approved by GRS	Are they confidential documents	Reasons for not having been transferred

3. Please list in the table below information on programme and administrative records which have been transferred to GRS for retention:

Category of records	Years covered by the records	Number and Linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

4. Please list in the table below information on records which have been approved for destruction by GRS:

Category of records	Names of records	Years covered by the records	Number and Linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

Asked by: Hon HO Sau-lan, Cyd (Member Question No. 103)

Reply:

1. The Commerce, Industry and Tourism Branch and family departments (including Invest Hong Kong, Trade and Industry Department, Intellectual Property Department, Hong Kong Observatory and Post Office) of the Commerce and Economic Development Bureau have already appointed Departmental Records Manager who are assisted by Assistant Departmental Records Managers and Records Managers from various Divisions/Sections to help implement and monitor records management matters. Since these officers have to take care of duties other than records management work and the time and percentage share in such duties vary over different periods of time, it is difficult to quantify the hours of work involved accurately.

2. Please list in the table below information on programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal:

Category of records	Years covered by the records	Number and Linear metres (lm) of records	Retention period approved by GRS	Are they confidential documents	Reasons for not having been transferred
Administrative	1965 - 2009	33 records / 1.463 lm	According to General Administrative Records Disposal Schedules (GARDS)	No	Submitted request to GRS and pending instruction
	1971 - 2014	47 records / 2.35 lm			Pending submission to GRS
	2001 - 2015	29 records / 1.95 lm			Retention period not yet expired
	2003 - 2008	2 records / 0.1 lm		Yes	Submitted request to GRS and pending instruction
	2008 - 2014	13 records / 1.36 lm			Retention period not yet expired

Category of records	Years covered by the records	Number and Linear metres (lm) of records	Retention period approved by GRS	Are they confidential documents	Reasons for not having been transferred
Programme	1982 - 2011	536 records / 26.8 lm	Pending GRS's approval	No	Submitted request to GRS and pending instruction
	1978 - 2015	52 records / 2.6 lm			Pending GRS's approval for the retention period
	2000 - 2014	47 records / 0.65 lm	According to the disposal schedule approved by GRS (RMO2)		Pending submission to GRS
	1958 - 2015	78 records / 4.24 lm			Retention period not yet expired
	1981 - 2011	63 records / 3.15 lm	Pending GRS's approval	Yes	Submitted request to GRS and pending instruction
	2009 - 2015	34 records / 1.85 lm	According to RMO2		Retention period not yet expired

3. Please list in the table below information on programme and administrative records which have been transferred to GRS for retention:

Category of records	Years covered by the records	Number and Linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
Administrative	1960 - 2002	64 records / 3.011 lm	2014 - 2015	Retention period advised by GRS	No
	1978 - 1994	9 records / 0.45 lm			Yes

4. Please list in the table below information on records which have been approved for destruction by GRS:

Category of records	Names of records	Years covered by the records	Number and Linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
Administrative	Administration					
	Accident	1995 - 2006	110 records / 0.73 lm	Not applicable#	According to GARDS	No
	Acts and Legislation	2003 - 2007	1 record / 0.055 lm			No
	Acts and Legislation	1995 - 2008	10 records / 1 lm			Yes
	Appreciation and Condolences	2002 - 2009	38 records / 2.09 lm			No
	Associations and Clubs	2002 - 2010	4 records / 0.27 lm			No
	Campaigns and Canvassing	1988 - 1989	1 record / 0.03 lm			No
	Ceremonies and Celebrations	1990 - 2006	4 records / 0.19 lm			No
	Circulars and Directives	1973 - 2008	63 records / 3.19 lm			No
	Circulars and Directives	1968 - 2012	3 records / 0.3 lm			Yes
	Committees, Councils, Commissions	1986 - 2009	57 records / 2.82 lm			No
	Committees, Councils, Commissions	1992 - 2011	1 record / 0.05 lm			Yes
	Community Services	1992 - 2007	1 record / 0.02 lm			No
Complaints	1997 - 2010	90 records / 4.9 lm	No			

Category of records	Names of records	Years covered by the records	Number and Linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
Administrative	Conferences and Seminars	1985 - 2009	43 records / 1.67 lm	Not applicable#	According to GARDS	No
	Conferences and Seminars	1999 - 2007	3 records / 0.69 lm			Yes
	Corporations and Firms	1997 - 2007	2 records / 0.1 lm			No
	Environmental Management	1979 - 2008	5 records / 0.25 lm			No
	Gifts and Donations	2001 - 2009	2 records / 0.08 lm			No
	Historical Matters	2004 - 2005	1 record / 0.06 lm			Yes
	Management Services	1996 - 2009	30 records / 1.55 lm			No
	Office Services	1985 - 2010	20 records / 0.925 lm			No
	Official Languages	1995 - 2004	1 record / 0.06 lm			No
	Organisation	1974 - 2008	11 records / 0.55 lm			No
	Organisation	1982 - 2003	1 record / 0.05 lm			Yes
	Plans and Programmes	1979 - 2008	9 records / 0.45 lm			No
	Reports and Statistics	1986 - 2008	34 records / 1.45 lm			No
	Security	1964 - 1975	16 records / 0.24 lm			No

Category of records	Names of records	Years covered by the records	Number and Linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents			
Administrative	Transportation	1986 - 2003	7 records / 0.19 lm	Not applicable#	According to GARDS	No			
	Visits and Tours	1979 - 2010	38 records / 1.905 lm			No			
	Visits and Tours	1990 - 2009	2 records / 0.2 lm			Yes			
	Accommodation and Facilities								
	Accommodation	1980 - 2008	4 records / 0.195 lm	Not applicable#	According to GARDS	No			
	Accommodation - Acquisition and Disposal	1979 - 2009	13 records / 0.58 lm			No			
	Accommodation - Acquisition and Disposal	1982 - 2003	1 record / 0.05 lm			Yes			
	Accommodation - Building Management	1982 - 2009	2 records / 0.08 lm			No			
	Accommodation - Security	1983 - 2008	5 records / 0.335 lm			No			
	Accommodation - Security	1973 - 2014	3 records / 0.2 lm			Yes			
	Communication Systems	1987 - 2005	9 records / 0.33 lm			No			
	Utilities and Building Services Facilities	2002 - 2008	1 record / 0.055 lm			No			
	Procurement and Supplies								
	Catalogues, Manuals and Price Lists to Catalog	1994 - 2012	9 records / 0.44 lm			Not applicable#	According to GARDS	No	

Category of records	Names of records	Years covered by the records	Number and Linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents	
Administrative	Clothing	1995 - 2008	3 records / 0.115 lm	Not applicable#	According to GARDS	No	
	Computer Equipment and Supplies	1997 - 2008	4 records / 0.23 lm			No	
	Equipment, Supplies and Services	1975 - 2009	577 records / 4.645 lm			No	
	Office Machines and Equipment	1983 - 2004	9 records / 0.48 lm			No	
	Printing	1982 - 2004	12 records / 0.38 lm			No	
	Stationery	1995 - 1995	1 record / 0.02 lm			No	
	Technical Equipment and Supplies	2003 - 2003	1 record / 0.03 lm			No	
	Vehicles	1981 - 2005	1 record / 0.03 lm			No	
	Finance and Accounting						
	Accounts and Accounting	1984 - 2009	13 records / 0.415 lm	Not applicable#	According to GARDS	No	
	Allowances	1984 - 2004	17 records / 0.71 lm			No	
	Allowances	1979 - 2014	1 record / 0.05 lm			Yes	
	Audits	1974 - 2005	17 records / 0.73 lm			No	
	Banks and Banking	1985 - 2005	12 records / 0.23 lm			No	

Category of records	Names of records	Years covered by the records	Number and Linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
	Budgets	1984 - 2009	78 records / 3.865 lm			No
Administrative	Expenditure	1996 - 2009	573 records / 52.1 lm	Not applicable#	According to GARDS	No
	Expenditure Control	1984 - 2009	47 records / 1.88 lm			No
	Fees and Charges	1982 - 2001	4 records / 0.16 lm			No
	Fees and Charges	1982 - 2003	8 records / 0.4 lm			Yes
	Finance and Accounting	1994 - 2009	14 records / 0.61 lm			No
	Grants and Funds	1986 - 1996	2 records / 0.05 lm			No
	Insurance	2000 - 2000	1 record / 0.02 lm			No
	Returns and Statements	1998 - 2005	5 records / 0.15 lm			No
	Revenue	1996 - 2009	8 records / 0.405 lm			No
	Salaries	1981 - 2005	5 records / 0.51 lm			No
Human Resources						
	Appointments and Posting	1973 – 2009	15 records / 0.775 lm	Not applicable#	According to GARDS	No
	Awards and Honours	2003 – 2005	2 records / 0.11 lm			No

Category of records	Names of records	Years covered by the records	Number and Linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
	Conduct and Discipline	1980 – 2008	7 records / 0.36 lm			No
	Establishment	1979 – 2008	89 records / 4.365 lm			No
Administrative	Establishment	1982 – 2003	4 records / 0.2 lm	Not applicable#	According to GARDS	Yes
	Health and Safety	1981 – 2009	11 records / 0.635 lm			No
	Hours of Work and Overtime	1989 – 2011	11 records / 0.435 lm			No
	Human Resources Planning	1983 – 2009	21 records / 1.015 lm			No
	Leave and Authorised Absence	1980 – 2010	33 records / 1.63 lm			No
	Performance and Appraisal	1968 – 2011	322 records / 11.485 lm			No
	Promotion and Examination	2002 – 2008	2 records / 0.11 lm			No
	Recreation and Welfare	2002 – 2008	4 records / 0.17 lm			No
	Recruitment	2002 – 2012	1,507 records / 9.095 lm			No
	Staff Relations	1980 – 2009	72 records / 4.06 lm			No
	Staff Security / Integrity Check	1980 – 2001	3 records / 0.09 lm			No
	Training and Development	1995 – 2009	35 records / 1.81 lm			No

Category of records	Names of records	Years covered by the records	Number and Linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
	Training and Development	1999 – 2007	1 record / 0.06 lm			Yes
	Management of Information, Information Services and Information Technology					
Administrative	Access	1995 - 2008	4 records / 0.22 lm	Not applicable#	According to GARDS	No
	Information and Records Management	2001 - 2008	3 records / 0.115 lm			No
	Information Services	1981 - 2008	63 records / 3.15 lm			No
	Information Services – Books and Publications	1987 - 2009	40 records / 2.21 lm			No
	Information Services - Exhibitions	1997 - 1999	2 records / 0.11 lm			No
	Information Services - Press Clippings	1979 - 2006	21 records / 0.9 lm			No
	Information Technology and Computer Systems	1989 - 2004	18 records / 0.98 lm			No
	Library Services	1983 - 2006	10 records / 0.37 lm			No

Category of records	Names of records	Years covered by the records	Number and Linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
Programme	Applications and Issuance of Certificates	2011 - 2012	33,330 records * / 3.5 lm	Not applicable#	According to RMO2	No
	Branding Activities and Services	2014 - 2015	1 record / 0.05 lm			
	Beijing Congress Documents 1999	1999 - 2002	2 records / 0.09 lm			
	Coding marks on outward airmail to U.K.	1992 - 1992	1 record / 0.01 lm			
	Comments on Environmental Matters to Other Agencies	1976 - 2007	192 records / 9.42 lm			
	Comments on Public Utilities to Other Agencies	1964 - 2008	45 records / 2.35 lm			
	Comparison of Performance between IMP and MLSS	1999 - 2010	2 records / 0.2 lm			
	Consignment and Factory Inspections	2006 - 2011	2,403 records * / 12.42 lm			
	Consignment check reports on strategic commodities	2008 - 2008	1 record / 1.2 lm			
	Daily Testing of Read Rate of OCR and VCM	1999 - 2008	10 records / 0.54 lm			
	Dead Records Series	1996 - 2011	75 records / 3.75 lm			
	District Boards and Related Committees	1977 - 2010	19 records / 0.97 lm			

Category of records	Names of records	Years covered by the records	Number and Linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
	Enquiries about General Trade Matters	1986 - 1991	1 record / 0.06 lm			
Programme	Evaluation of AMS Performance	1998 - 1999	7 records / 0.37 lm	Not applicable#	According to RMO2	No
	Evaluation of MLSS Performance	1999 - 2002	6 records / 0.3 lm			
	Factory Audit Checks	2006 - 2011	1,220 records * / 18.06 lm			
	Factory Registration and Outward Processing Arrangement Registration	2011 - 2012	140 records / 5 lm			
	International Mail Marketing and Operation Workshop	1990 - 1990	1 record / 0.02 lm			
	Mail Vouching List	1993 - 1999	1 record / 0.01 lm			
	Miscellaneous Matters on Industries Liaison	1983 - 2006	67 records / 2.77 lm			
	Outline Zoning Plan from Planning Department	1970 - 2006	283 records / 22.2 lm			
	Patents Case Files	1998 - 2004	42,777 records * / 590 lm			
Paythrupost Service	2000 - 2002	1 record / 0.05 lm				

Category of records	Names of records	Years covered by the records	Number and Linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
	Performance of Read Rate of MLSS	1999 - 2010	10 records / 0.53 lm			
Programme	Postal Mechanization General Enquiries	1993 - 2000	2 records / 0.12 lm	Not applicable#	According to RMO2	No
	Schedule of Outline Development & layout plan(Outline Zoning Plan from Planning Department)	1963 - 1996	8 records / 0.7 lm			
	Stamp Exhibition 2001	2001 - 2005	5 records / 0.2 lm			
	Standard time for postal operation	1999 - 2000	1 record / 0.01 lm			
	Textiles Notifications and Textiles Licences Class A - Textiles Notifications and Textiles Licences	2009 - 2012	193,712 records * / 61.5 lm			
	Textiles Trader Registration Scheme Class G - Miscellaneous Applications/forms	2008 - 2012	74,046 records * / 7.5 lm			
	Textiles Trader Registration Scheme Class J - Invalid Textiles Trader Registration Files	1993 - 2009	2,354 records * / 28 lm			

Category of records	Names of records	Years covered by the records	Number and Linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
	Visits	1985 - 1999	137 records / 6.85 lm			
Programme	Comments on Environmental Matters to Other Agencies	1976 - 2007	35 records / 1.7 lm	Not applicable#	According to RMO2	Yes
	Comments on Public Utilities to Other Agencies	1964 - 2008	27 records / 1.4 lm			
	Immigration and Visa Application	1978 - 2009	39 records / 2.45 lm			
	Outsourcing EMSD Service	2000 - 2000	1 record / 0.02 lm			

Records are destructed after approval is given by GRS.

* These records are classified by case, including applications, forms, licenses, and notifications.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)075

(Question Serial No. 4614)

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

Subhead (No. & title): (000) Operational Expenses

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Regarding the expenses on entertainment and gifts of your bureau and the departments under its purview over the 2 years of 2013-14 and 2014-15, please provide details using the table below:

Bureau/ branch/ department and year	Estimated expenses on entertainment and gifts in the year	Actual expenses on entertainment and gifts in the year	Cap on entertainment expenses (including beverages) per head for the year	Cap on gift expenses per guest for the year	Number of receptions held and total number of guests entertained in the year

2. Regarding the expenses on entertainment and gifts of your bureau and the departments under its purview in 2014-15, please provide details using the table below:

Bureau/ branch/ department	Date of reception (day/ month/ year)	Departments/ organisations and titles of the guests entertained (grouped by department/ organisation and indicating the number of guests)	Food expenses incurred in the reception	Beverage expenses incurred in the reception	Gift expenses incurred in the reception	Venue of the reception (department office/ restaurant in government facilities/ private restaurant/ others (please specify))

3. Please provide the estimated expenses on entertainment and gifts for 2015-16 using the table below:

Bureau/branch/ Department	Estimated provision for expenses on entertainment and gifts	Cap on entertainment expenses per guest	Cap on gift expenses per guest

Asked by: Hon HO Sau-lan, Cyd (Member Question No. 104)

Reply:

Generally speaking, all politically appointed officials and civil servants who entertain guests for official purposes have to comply with the same principles and observe relevant regulations and administrative guidelines. When hosting official entertainment for guests, government officers should exercise prudent judgement and economy to avoid the public perception of extravagant entertainment. According to existing general guidelines, the expenditure limits for official lunch and dinner, inclusive of all expenses incurred on food and beverages consumed on the occasion, service charges and tips, are \$450 and \$600 per person respectively.

The expenditure under the departmental entertainment vote from 2013-14 to 2014-15 (up to 28 February 2015) and the estimates for 2015-16 for this branch and departments under our purview are tabulated below:

Bureau / Departments under purview	Official Entertainment (actual expenditure)		Official Entertainment (estimated provision)
	2013-14 (\$'000)	2014-15 (up to 28 February 2015) (\$'000)	2015-16 (\$'000)
Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	420	521	568
Hong Kong Observatory	91	77	95
Hong Kong Post	16	25	196
Invest Hong Kong	283	185	210

Bureau / Departments under purview	Official Entertainment (actual expenditure)		Official Entertainment (estimated provision)
	2013-14 (\$'000)	2014-15 (up to 28 February 2015) (\$'000)	2015-16 (\$'000)
Intellectual Property Department	136	196	160
Trade and Industry Department	183	285	300

In line with the Government's green policy, officers should as far as possible refrain from bestowing gifts/souvenirs to others during the conduct of official activities. According to prevailing guidelines, if it is considered necessary and unavoidable to bestow gifts/souvenirs due to operational, protocol, promotion of activities or other reasons, the gift/souvenir items should not be lavish or extravagant and the number of gifts/souvenirs should be kept to a minimum or the exchange of gifts/souvenirs should be made from organisation to organisation. Since we do not maintain separate accounts relating to the expenses incurred for the purchase of gifts and souvenirs, we do not have the relevant statistical data.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)076

(Question Serial No. 4615)

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

Subhead (No. & title): (-) -

Programme: (1) Director of Bureau's Office, (2) Commerce and Industry, (3) Subvention: Hong Kong Trade Development Council, (4) Posts, Competition Policy and Consumer Protection, (5) Subvention: Consumer Council, (6) Travel and Tourism, (7) Subvention: Hong Kong Tourism Board, (8) Public Safety, (9) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the studies, if any, conducted by your bureau and the departments under your purview for the purpose of formulating and assessing policies, please provide information about the studies in the following format.

- (a) Please provide information on the funded public policy studies and strategic public policy studies over the past 2 financial years (2013-14 and 2014-15) in the following table:

Name of consultant	Mode of award (open auction/tender/others (please specify))	Title, content and objective of the project	Consultancy fee (\$)	Start date	Progress of the study (under planning/in progress/completed)	Follow-up actions taken by the Government on the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?

- (b) Are there any projects for which funds have been reserved to conduct internal studies this year (2015-16)? If yes, please provide the following information:

Title, content and objective of the project	Start date	Progress of the study (under planning/in progress/completed)	Follow-up actions taken by the Government on the study report and their progress (if any)	For projects that are expected to be completed this year, is there any plan to make them public? If yes, through what channels? If no, why?

- (c) Are there any projects for which funds have been reserved to conduct consultancy studies this year (2015-16)? If yes, please provide the following information:

Name of consultant	Mode of award (open auction/ tender/ others (please specify))	Title, content and objective of the project	Consultancy fee (\$)	Start date	Progress of the study (under planning/ in progress/ completed)	Follow-up actions taken by the Government on the study report and their progress (if any)	For projects that are expected to be completed this year, is there any plan to make them public? If yes, through what channels? If no, why?
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- (d) What are the criteria for considering the award of consultancy projects to the research institutions concerned?

Asked by: Hon HO Sau-lan, Cyd (Member Question No. 105)

Reply:

- (a) The studies on public policy and strategic public policy conducted by Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) and the departments under its purview during the period from 2013-14 to 2014-15 are listed below:

2013-14: Name of consultant	Mode of award (open auction/ tender/ others (please specify))	Title, content and objective of the project	Consultancy fee (\$)	Start date	Progress of the study (under planning/ in progress/ completed)	Follow-up actions taken by the Government on the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
AMR International Ltd.	Tender	Demand study for convention and exhibition facilities in Hong Kong	661,200	January 2014	In progress	The Government will, according to future development need and taking into account relevant factors, consider appropriate measures to cater for the development of the convention and exhibition industries.	Not applicable

2013-14: Name of consultant	Mode of award (open auction/ tender/ others (please specify))	Title, content and objective of the project	Consultancy fee (\$)	Start date	Progress of the study (under planning/ in progress/ completed)	Follow-up actions taken by the Government on the study and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
Institute for International Economic Research of National Development and Reform Commission	Tender	<p>Consultancy services for assessing the implications of Hong Kong's participation in the proposed China-Japan-Korea Free Trade Agreement</p> <p>Study the benefits and implications of Hong Kong's participation in the China-Japan-Korea Free Trade Agreement for China, Japan, Korea and Hong Kong</p>	210,800	September 2013	In progress	The Government will examine the consultancy report and assess if Hong Kong should pursue joining the proposed China-Japan-Korea Free Trade Agreement for strengthening the economic and trade relations with these economies.	Not Applicable
PolyU Technology and Consultancy Company Limited	Tender	Research project on the latest economic development of the greater Pearl River Delta region	624,000	June 2013	Completed	The Government issued a publication on the research project to promote Hong Kong's role as a two-way platform for attracting inward foreign direct investment within the greater Pearl River Delta region.	The publication was made public at an event for the business community in April 2014.
Ernst & Young	Tender	Research project on the current startup ecosystem in Hong Kong	1,050,000	November 2013	Completed	The Government has made reference to the result of the study to gauge the development of Hong Kong's start-up ecosystem.	The advice of the consultant is for Government's internal consideration.

2013-14: Name of consultant	Mode of award (open auction/tender/others (please specify))	Title, content and objective of the project	Consultancy fee (\$)	Start date	Progress of the study (under planning/in progress/completed)	Follow-up actions taken by the Government on the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
M&L Associates Ltd.	Tender	<p>Consultancy on Technical Measures Against Copyright Piracy in the Digital Environment</p> <p>To study and assess the effectiveness of technical measures that are used or have been tried out overseas, and identify the key considerations if these measures were to be introduced in Hong Kong</p> <p>(continuing the consultancy study in 2011-12)</p>	<p>—</p> <p>(All the payments were settled in 2011-12 and 2012-13)</p>	March 2012	Completed	The Government made reference to the consultancy study when considering the introduction of technical measures to enhance copyright protection in the digital environment in Hong Kong.	The advice from the consultant was for the Government's internal consideration.
Bird & Bird	Tender	<p>Consultancy Study in support of the Review of the Patent System in HKSAR</p> <p>To provide consultancy advice on legal, technical and procedural issues relating to implementation of the "original grant" patent system and refinement of the short-term patent system in Hong Kong</p>	<p>—</p> <p>(All the payments will be settled in the coming financial years)</p>	March 2014	In progress	Not applicable	Not applicable

2013-14: Name of consultant	Mode of award (open auction/tender/others (please specify))	Title, content and objective of the project	Consultancy fee (\$)	Start date	Progress of the study (under planning/in progress/completed)	Follow-up actions taken by the Government on the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
URS Hong Kong Limited (previously known as “Scott Wilson Ltd.”)	Tender	Business viability study for the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market (continuing the consultancy study in 2012-13)	106,800	December 2011	Completed	The Government has made reference to the results of the consultancy study when considering the viability of developing dining and tourist facilities at/near the Aberdeen Wholesale Fish Market.	The findings of the study were reported to the Community Affairs and Tourism Development Committee under the Southern District Council and the Legislative Council Panel on Economic Development in January 2013 and September 2013 respectively.
KPMG Corporate Finance Limited	Tender	Appointment of financial consultant for assessment of proposals and related matters in connection with the Tai Shue Wan redevelopment at Ocean Park To provide consultancy services advising on the financial, business, economic, financing arrangement and other relevant aspects for the Tai Shue Wan redevelopment at the Ocean Park (continuing the consultancy study in 2012-13)	215,700	July 2012	Completed	The Government has made reference to the results of the consultancy study when examining the Tai Shue Wan redevelopment.	The advice from the consultant is for Government’s internal consideration.

2013-14: Name of consultant	Mode of award (open auction/tender/others (please specify))	Title, content and objective of the project	Consultancy fee (\$)	Start date	Progress of the study (under planning/in progress/completed)	Follow-up actions taken by the Government on the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
URS Hong Kong Limited (previously known as “Scott Wilson Ltd.”)	Tender	Consultancy study to identify suitable international mega events to be introduced into Hong Kong under the Mega Events Fund’s Tier-1 system (continuing the consultancy study in 2012-13)	323,000	September 2012	In progress	The Government and the Mega Events Fund (MEF) Assessment Committee (AC) would make reference to the consultant’s recommendations when taking forward the MEF Tier-1 scheme.	Not applicable
KPMG	Tender	Consultancy services on the financial arrangement for the third hotel development at the Hong Kong Disneyland	291,400	December 2013	In progress	The Government would make reference to the results of the consultancy study when considering the financial arrangement for the hotel development.	Not applicable

2014-15: Name of consultant	Mode of award (open auction/tender/quotation/others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/in progress/completed (completion month and year))	The Government’s follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
AMR International Ltd.	Tender	Demand study for convention and exhibition facilities in Hong Kong (continuing of the consultancy study in 2013-14)	2,644,900	January 2014	Completed	The Government has accepted the consultant’s recommendations.	The Government consulted the Legislative Council Panel on Commerce and Industry in February 2015 on the findings of the study and follow-up actions by the Government.

2014-15: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
Institute for International Economic Research of National Development and Reform Commission	Tender	<p>Consultancy services for assessing the implications of Hong Kong's participation in the proposed China-Japan-Korea Free Trade Agreement</p> <p>Study the benefits and implications of Hong Kong's participation in the China-Japan-Korea Free Trade Agreement for China, Japan, Korea and Hong Kong</p> <p>(continuing the consultancy study in 2013-14)</p>	210,800	September 2013	Completed	The Government will examine the consultancy reports and assess if Hong Kong should pursue joining the proposed China-Japan-Korea Free Trade Agreement for strengthening the economic and trade relations with these economies.	The consultancy study report is for Government's internal consideration.
Bird & Bird	Tender	<p>Consultancy Study in support of the Review of the Patent System in HKSAR</p> <p>To provide consultancy advice on legal, technical and procedural issues relating to implementation of the "original grant" patent system and refinement of the short-term patent system in Hong Kong</p>	2,980,000	March 2014	In progress	The Government will examine the interim reports of the consultancy studies in drawing up the legislative proposals for amending the Patents Ordinance. (project ongoing)	The interim reports of the consultancy studies are for Government's internal consideration.

2014-15: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
CrimsonLogic Pte Ltd	Tender	<p>Consultancy Study on the Development of Government Electronic Trading Services (GETS)</p> <p>The study examines how to develop GETS into a "Single Window", through which one-stop customs clearance can be provided. It also examines how best to further streamline departments' handling of import/export documents.</p>	2,394,495	September 2014	In progress	Not applicable	Not applicable
Mercado Solutions Associates Ltd.	Tender	<p>Perception Surveys for the Retail Industry</p> <p>To assess the public perception of the retail industry. The survey results will help formulate the strategy of the promotion campaign.</p>	162,000	September 2014	Completed	Reference is made to the survey results when formulating the strategy of the promotion campaign.	Results are shared with the Advisory Panel of Retail Manpower Development members for reference.

2014-15: Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of studies (under planning/ in progress/ completed (completion month and year))	The Government's follow-ups to the study report and their progress (if any)	For completed studies, have they been made public? If yes, through what channels? If no, why?
URS Hong Kong Limited	Tender	Consultancy study to identify suitable international mega events to be introduced into Hong Kong under the Mega Events Fund's Tier-1 system (continuing the consultancy study in 2013-14)	129,200	September 2012	Completed	The Government and the Mega Events Fund (MEF) Assessment Committee (AC) have made reference to the recommendations made by the consultant when taking forward the MEF Tier-1 scheme.	The consultant's recommendations are for internal reference by the MEF AC and the Government.
KPMG	Tender	Consultancy services on the financial arrangement for the third hotel development at the Hong Kong Disneyland (continuing the consultancy study in 2013-14)	1,165,600	December 2013	Completed	The Government has made reference to the results of the consultancy study when considering the financial arrangement for the hotel development.	The advice from the consultant is for Government's internal consideration.

(b) and (c) Provision has been allocated under Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) and the departments under its purview for conducting the following studies in 2015-16:

2015-16: Name of consultant	Mode of award (open auction/tender/others (please specify))	Title, content and objective of the project	Consultancy fee (\$)	Start date	Progress of the study (under planning/in progress/completed)	Follow-up actions taken by the Government on the study report and their progress (if any)	For projects that are expected to be completed this year, is there any plan to make them public? If yes, through what channels? If no, why?
Institute for International Economic Research of National Development and Reform Commission	Tender	Consultancy services for assessing the implications of Hong Kong's participation in the proposed China-Japan-Korea Free Trade Agreement Study the benefits and implications of Hong Kong's participation in the China-Japan-Korea Free Trade Agreement for China, Japan, Korea and Hong Kong (The study was completed in 2014-15. The remaining fees will be settled in 2015-16.)	632,400	September 2013	Completed	The Government will examine the consultancy reports and assess if Hong Kong should pursue joining the proposed China-Japan-Korea Free Trade Agreement for strengthening the economic and trade relations with these economies.	The consultancy study report is for Government's internal consideration.
Bird & Bird	Tender	Consultancy Study in support of the Review of the Patent System in HKSAR To provide consultancy advice on legal, technical and procedural issues relating to implementation of the "original grant" patent system and refinement of the short-term patent system in Hong Kong	1,000,000 (tentative)	March 2014	In progress	The Government will examine the interim reports of the consultancy studies in drawing up the legislative proposals for amending the Patents Ordinance. (project ongoing)	The interim reports of the consultancy studies are for Government's internal consideration

2015-16: Name of consultant	Mode of award (open auction/ tender/ others (please specify))	Title, content and objective of the project	Consultancy fee (\$)	Start date	Progress of the study (under planning/ in progress/ completed)	Follow-up actions taken by the Government on the study report and their progress (if any)	For projects that are expected to be completed this year, is there any plan to make them public? If yes, through what channels? If no, why?
CrimsonLogic Pte Ltd	Tender	<p>Consultancy Study on the Development of Government Electronic Trading Services (GETS)</p> <p>The study examines how to develop GETS into a “Single Window“, through which one-stop customs clearance can be provided. It also examines how best to further streamline departments’ handling of import/export documents.</p> <p>(continuing the consultancy study in 2014-15)</p>	6,590,355	September 2014	In progress	Not applicable	To consider the exact arrangements after completion of the consultancy study.
Mercado Solutions Associates Ltd.	Tender	<p>Perception Surveys for the Retail Industry</p> <p>To assess the public perception of the retail industry and the effectiveness of the promotion campaign.</p>	162,000	Second half of 2015	Under planning	Not applicable	Not applicable

2015-16: Name of consultant	Mode of award (open auction/ tender/ others (please specify))	Title, content and objective of the project	Consultancy fee (\$)	Start date	Progress of the study (under planning/ in progress/ completed)	Follow-up actions taken by the Government on the study report and their progress (if any)	For projects that are expected to be completed this year, is there any plan to make them public? If yes, through what channels? If no, why?
(To be appointed)	Tender	Appointment of a financial adviser to support and provide expert advice to the Government in the discussions with The Walt Disney Company on the Phase 2 Development of the Hong Kong Disneyland Resort	Subject to the result of the tender exercise	Second to third quarter of 2015	Under planning	Not applicable	The advice from the consultant is for Government's internal consideration.
(To be appointed)	Tender	Consultancy study to review "A Symphony of Lights" comprehensively and explore possible options for its way forward	Subject to the result of the tender exercise	Early 2016	Under planning	Not applicable	The advice from the consultant is for Government's internal consideration.

(d) In the selection of consultant firms, we have followed the Government's prevailing guidelines and procedures to select the suitable firm in an open and fair competition manner. The selection criteria include the tender price, the service quality, relevant qualification, experience, reputation, expertise, the proposed methodology and work plan as well as cost-effectiveness of the proposal, etc.

- End -

CONTROLLING OFFICER'S REPLY**(Question Serial No. 4616)**

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

Subhead (No. & title): (-) -

Programme: (1) Director of Bureau's Office, (2) Commerce and Industry, (3) Subvention: Hong Kong Trade Development Council, (5) Subvention: Consumer Council, (6) Travel and Tourism, (7) Subvention: Hong Kong Tourism Board, (9) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In regard to the growing co-operation between Hong Kong and the Mainland in recent years, please provide relevant information on Hong Kong/Mainland cross-boundary projects or programmes in which your bureau and the departments under your purview have been involved.

(a) For Hong Kong/Mainland cross-boundary projects or programmes, please provide information for 2013-14 and 2014-15 as per following table:

Project / Programme	Details, objective and whether it is related to the Framework Agreement on Hong Kong / Guangdong Co-operation (the Framework Agreement) or the National 13 th Five-year Plan	Expenditure involved	Mainland officials and department/ organisation involved	Has any agreement been signed and whether it has been made public? If not, what are the reasons?	Progress (% completed, commencement date, target completion date)	Have the details, objectives, amount involved or impact on the public, society, culture and ecology been released to the public? If so, through which channels and what were the manpower and expenditure involved? If not, what are the reasons?	Has public consultation on the cross-boundary project been conducted in Hong Kong?	Details of the legislative amendments or policy changes involved in the project/ programme

(b) Has provision been earmarked for Hong Kong/Mainland cross-boundary projects or programmes in this year (2015-16)? If yes, please provide information in respect of Hong Kong/Mainland cross-boundary projects or programmes for 2015-16 as per following table:

Project / Programme	Details, objective and whether it is related to the Framework Agreement on Hong Kong / Guangdong Co-operation (the Framework Agreement) or the National 13 th Five-year Plan	Expenditure involved	Mainland officials and department/ organisation involved	Has any agreement been signed and whether it has been made public? If not, what are the reasons?	Progress (% completed, commencement date, target completion date)	Have the details, objectives, amount involved or impact on the public, society, culture and ecology been released to the public? If so, through which channels and what were the manpower and expenditure involved? If not, what are the reasons?	Will public consultation on the cross-boundary project be conducted in Hong Kong?	Details of the legislative amendments or policy changes involved in the project/ programme

(c) Apart from the projects or programmes listed above, are there any other modes of Hong Kong/Mainland cross-boundary cooperation? If so, in what modes are they taken forward? What were the manpower and expenditure involved over the past 3 years? How much financial and manpower resources have been earmarked in the 2015-16 Estimates?

Asked by: Hon HO Sau-lan, Cyd (Member Question No. 106)

Reply:

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

Under Programme (2) Commerce and Industry, major Hong Kong and Mainland cross-boundary co-operation / exchange undertaken by our Bureau, departments and relevant organisations includes the following areas –

Scope of Work	Progress	Relevant Documents issued to the LegCo by the Government
Closer Economic Partnership Arrangement (CEPA)	<p>Following the signing of the main text of CEPA in 2003, the Mainland and Hong Kong signed related agreements under the framework of CEPA every year thereafter to continue to enhance liberalisation of the Mainland market to Hong Kong in terms of both breadth and depth, which have strengthened trade ties in goods and services, promoted trade and investment facilitation between the Mainland and Hong Kong, and fostered the long-term economic and trade development of both places. The “Agreement between the Mainland and Hong Kong on Achieving Basic Liberalisation of Trade in Services in Guangdong” signed under the framework of CEPA in December 2014 would enable the the Mainland to first achieve basic liberalisation of trade in services with Hong Kong in the Guangdong Province, which is a step towards achieving basic liberalisation of trade in services between the whole territory of the Mainland and Hong Kong by the end of the National 12th Five-year Plan period. The texts of the CEPA and the related agreements thereunder have been uploaded onto the website of the Trade and Industry Department (TID).</p> <p>The HKSAR Government also attaches great importance to the effective implementation of CEPA. We will continue to work closely with the Mainland authorities at central, provincial and municipal levels to assist the trade in making better use of CEPA liberalization measures and gaining greater access to the Mainland market.</p>	LegCo Panel paper no. CB(1)373/14-15(01) “The Mainland and Hong Kong Closer Economic Partnership Arrangement” issued in December 2014.
To assist Hong Kong enterprises in operating in the Mainland	<p>The work under this area includes the following –</p> <ul style="list-style-type: none"> - maintaining close dialogue with the trade through various channels, so as to understand the trade’s concerns and views; and maintaining close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to relay to them the trade’s views and to discuss with them support measures for the trade; 	LegCo Panel paper no. CB(1)1282/12-13(03) “Economic and Trade relations between the Mainland and Hong Kong” issued in June 2013.

Scope of Work	Progress	Relevant Documents issued to the LegCo by the Government
	<ul style="list-style-type: none"> - disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities such as symposiums and seminars through TID and our Mainland Offices to enhance the trade's understanding of the Mainland's new policies, legislation and business environment. TID's website includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland; - organising promotional activities and trade fairs and organising delegations to visit the Mainland through the Hong Kong Trade Development Council (HKTDC), with a view to enhancing the trade's understanding of Mainland policies and market development; - providing Hong Kong enterprises with support services on technological upgrading, management improvement, branding and market development, etc., and Mainland market information through the HKTDC and the Hong Kong Productivity Council, etc.; - with regard to financial support, assisting small and medium enterprises (SMEs) through the on-going "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, business restructuring and relocation; - continuing to implement the Dedicated Fund on Branding, Upgrading and Domestic Sales launched on 25 June 2012 to provide funding support to individual enterprises and non-profit-distributing organisations, so as to assist enterprises in enhancing their competitiveness and furthering their business development in the Mainland and capturing the opportunities arising from the National 12th Five-year Plan; 	

Scope of Work	Progress	Relevant Documents issued to the LegCo by the Government
	<ul style="list-style-type: none"> - arranging our Mainland Offices to collaborate with trade associations and other organisations to organise “Hong Kong Week” promotional events in the Mainland in order to promote Hong Kong products and services, with a view to assisting Hong Kong enterprises in building up their brand image and exploring the domestic market; and - providing platforms for Hong Kong enterprises, particularly SMEs, to showcase their products and build up greater awareness of Hong Kong brands in the Mainland through the expansion of the network of Design Gallery shops in the Mainland by the HKTDC. 	
Investment Promotion	<p>Mainland is one of the priority markets of Invest Hong Kong (InvestHK). Thus far, InvestHK has assisted over 600 Mainland companies to set up or expand their business in Hong Kong. InvestHK will continue to proactively reach out to and assist Mainland companies to set up or expand their business in Hong Kong through organising promotional seminars and exhibitions, conducting investment promotion visits and receiving incoming delegations from the Mainland. It will also strengthen its efforts to promote the pivotal role of Hong Kong as a platform for Mainland companies to go global.</p> <p>In collaboration with Mainland provinces and cities, InvestHK has been staging joint promotion seminars in overseas markets since 2002 to promote the business advantages of Hong Kong and the Mainland, in particular the Pearl River Delta region. In 2015-16, InvestHK plans to organise four joint overseas promotion seminars, including one seminar partnering with Guangzhou in Dubai (March), one with Zhuhai in Los Angeles (June), one with Jiangmen in Taichung (October) and one with Guangdong Province and Macau in South East Asia (tentatively in November).</p>	The LegCo Panel paper no. CB(1)512/14-15(03) “Promotion of Inward Investment” issued in February 2015. (Note: including InvestHK’s work relating to the Mainland)

Scope of Work	Progress	Relevant Documents issued to the LegCo by the Government
Tourism	<p>Hong Kong and the Mainland have all along maintained close contacts on tourism development at government and trade levels. The Tourism Commission has established regular exchange mechanisms with the Mainland tourism authorities, such as the China National Tourism Administration (CNTA) and the Guangdong Provincial Tourism Administration, to discuss issues of mutual concern.</p> <p>The Hong Kong Tourism Board (HKTB) will promote the tourism brands of Hong Kong, Guangdong and Macau through the “Guangdong, Hong Kong & Macau Tourism Marketing Organisation”. It will also promote multi-destination itineraries in major visitor source markets with various Mainland provinces/cities and Macau in order to consolidate Hong Kong’s position as a travel hub in the region.</p> <p>Moreover, through setting up counters at travel agencies in the Mainland, the HKTB has been promoting “Quality & Honest Hong Kong Tours” with the CNTA, offering tourists tours to Hong Kong. As at end-2013, the number of counters of the scheme, both online and in shops, was 58. Following the implementation of the China Tourism Law on 1 October 2013, which brought forth clear guidelines and requirements on the quality of tourism products, the HKTB began to work with Mainland travel agencies offering quality tours to roll out seasonal quality Hong Kong tourism products.</p> <p>In 2015-16, the HKTB will continue to open up non-Guangdong markets, roll out consumer education before peak travel seasons, and launch more high-quality tourism products in collaboration with the trade to provide consumers with more choices.</p>	<p>LegCo Panel paper no. CB(1)2301/09-10(05) “Framework Agreement on Hong Kong/Guangdong Co-operation – Tourism Co-operation” issued in June 2010.</p> <p>LegCo Panel paper no. CB(4)480/14-15(03) “Hong Kong Tourism Board Work Plan for 2015-16” issued in February 2015. (Note: including HKTB’s promotional efforts in the Mainland)</p>

In 2013-14 and 2014-15, the above co-operation with the Mainland on various fronts include agreements on economic and trade co-operation, co-operation on intellectual property, tourism and meteorological technology signed under various regional co-operation mechanisms (e.g. the Hong Kong/Guangdong Co-operation Joint Conference, the Hong Kong/Shenzhen Co-operation Meeting and Hong Kong/Fujian Co-operation Conference). The agreements have been appended to relevant LegCo papers (LegCo Panel paper no. CB(1)171/13-14(01) “The 16th Plenary of the Hong Kong/Guangdong Co-operation Joint Conference” issued in November 2013, LegCo Panel paper no. CB(1)530/13-14(01) “The

Hong Kong/Shenzhen Co-operation Meeting” issued in December 2013 and LegCo Panel paper no. CB(1)364/14-15(01) “The 17th Plenary of the Hong Kong/Guangdong Co-operation Joint Conference” issued in January 2015) and the press release issued on 22 January 2015 on the 1st Meeting of Hong Kong/Fujian Co-operation Conference.

The work to promote co-operation between the two places is on-going. The relevant manpower and expenditure have been subsumed within the establishment and provision of the Bureau and relevant departments and organisations, and are difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)078

(Question Serial No. 4617)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry, (3) Subvention: Hong Kong Trade Development Council, (4) Posts, Competition Policy and Consumer Protection, (5) Subvention: Consumer Council, (6) Travel and Tourism, (7) Subvention: Hong Kong Tourism Board, (8) Public Safety, (9) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the details of the meetings, visits or exchanges held between departments under the Bureau and the relevant Mainland authorities in the past 5 years, and list, by date, the following for each trip:

- (a) objective, venue;
- (b) titles of the Mainland officials met;
- (c) number and titles of the participating officers from Hong Kong;
- (d) duration of trip (days);
- (e) total expenditure incurred;
- (f) whether the trip was promulgated before departure; if not, what are the reasons for the confidentiality;
- (g) whether minutes of the meeting were filed; if not, what are the reasons;
- (h) whether agreement was reached; if so, what are the contents and implementation progress;
- (i) transport (please list flight tickets and local transport at destinations separately);
- (ii) accommodation;
- (iii) meals;
- (iv) banquets or entertainment; and
- (v) expenses on gifts.

Date	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(ii)	(iii)	(iv)	(v)

Asked by: Hon HO Sau-lan, Cyd (Member Question No. 107)

Reply:

Details of the meetings, visits or exchanges held between Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) (CITB) as well as the departments under CITB's purview and the relevant Mainland authorities in the past 5 years are at Appendix I.

There are occasions that the HKSAR Government needs to attend meetings or conduct discussions with related organisations in the Mainland. Depending on the circumstances, such as the topics of discussions, the agreement made between parties concerned and development of the issues discussed etc., the meetings or discussions will be documented as appropriate. We would decide whether and how such visits and agreements should be made public depending on the relevant circumstances and needs.

Generally speaking, all politically appointed officials and civil servants who entertain guests for official purposes have to comply with the same principles and observe relevant regulations and administrative guidelines. When hosting official entertainment for guests, government officers should exercise prudent judgement and economy to avoid the public perception of extravagant entertainment. According to existing general guidelines, the expenditure limits for official lunch and dinner, inclusive of all expenses incurred on food and beverages consumed on the occasion, service charges and tips, are \$450 and \$600 per person respectively.

In line with the Government's green policy, officers should as far as possible refrain from bestowing gifts/souvenirs to others during the conduct of official activities. According to prevailing guidelines, if it is considered necessary and unavoidable to bestow gifts/souvenirs due to operational, protocol, promotion of activities or other reasons, the gift/souvenir items should not be lavish or extravagant and the number of gifts/souvenirs should be kept to a minimum or the exchange of gifts/souvenirs should be made from organisation to organisation. Since we do not maintain separate accounts relating to the expenses incurred for the purchase of gifts and souvenirs, we do not have the relevant statistical data.

- End -

**Meetings, visits or exchanges held between departments under Commerce, Industry and Tourism Branch
and the relevant Mainland authorities
(1 April 2010 to 28 February 2015)**

2010 - 2011

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	33 times	Including Beijing, Chongqing, Fuzhou, Guangzhou, Huizhou, Shanghai, Shaoguan, Shenzhen, Suzhou, Xiamen and Yangzhou	73 people	<ol style="list-style-type: none"> 1. Meeting in Beijing with Mainland Customs to discuss matters on “Hong Kong Facilitation Scheme for Cross-Strait Transshipment Cargoes” 2. Attending meeting with China National Tourism Administration 3. Attending Shanghai Expo 	254,000	65,000	99,000	418,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Hong Kong Observatory	28 times	Including Beijing, Guangzhou, Shenzhen, Nanjing, Zhuhai, Zhaoqing	40 people	<ol style="list-style-type: none"> 1. Visit China Meteorological Administration (CMA) 2. Attend 27th session of CMA Annual Meeting 3. Attend Operational Launch Ceremony of Asia Aeronautical Met Service Website 4. Attend 2010 High Level International Forum on Weather Forecasting 	51,000	24,000	45,000	120,000
Hong Kong Post	9 times	Including Beijing, Henan, Shanghai, Hainan, Guangzhou and Zhuhai	26 people	<ol style="list-style-type: none"> 1. To attend meetings with State Post Bureau and China Post to promote postal co-operation 2. To attend meetings and forums organised by Kahala Post Group and the Universal Postal Union 3. To attend the Asia Pacific Post Cooperative Management Board Meeting 	96,000	85,000	58,000	239,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Invest Hong Kong	39 times	Including Beijing, Shanghai, Chengdu, Hangzhou, Chongqing, Guangzhou, Tianjin, Changsha & Xiamen	78 people	<ol style="list-style-type: none"> 1. Visit Mainland companies that have an interest to invest in Hong Kong 2. Organise and attend investment promotion seminars 3. Meet with counterparts in Mainland authorities to enhance cooperation on investment promotion matters 	331,000	155,000	215,000	701,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Intellectual Property Department	13 times	Including Shenzhen, Guangzhou, Fuzhou, Xining, Beijing, Shanghai, Zhaoqing	27 people	<ol style="list-style-type: none"> 1. Jointly organised the Guangdong/Hong Kong Training Course on Intellectual Capital Management and Intellectual Property Management Standards for Enterprises 2. Jointly organised a Seminar on Intellectual Property and Development of Small and Medium Enterprises 3. Jointly organised the third exchange programme for Intellectual Property Intermediaries 4. Attended the Pan-Pearl River Delta Intellectual Property Cooperation Joint Conference cum the Intellectual Property Forum 	21,000	14,000	20,000	55,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Trade and Industry Department	8 times	Including Beijing, Qingdao, Huizhou, Chongqing, Guangzhou and Shenzhen	36 people	<ol style="list-style-type: none"> 1. To attend meetings and activities relating to CEPA 2. To attend meetings with Mainland officials for enhancing economic and trade cooperation between the two places 3. To attend Asia-Pacific Economic Cooperation (APEC) Business Advisory Council meetings 	98,000	33,000	24,000	155,000

2011 – 2012

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD) [^]	Hotel Accommodation (HKD) [^]	Other Expenses* (HKD) [^]	Grand Total (HKD) [^]
Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	22 times	Including Beijing, Chengdu, Chongqing, Dongguan, Guangzhou, Henan, Kunming, Nanchang, Nansha, Sanya, Shanghai, Shenzhen, Taiyuan, Urumqi, Xiamen and Yili	38 people	<ol style="list-style-type: none"> 1. Attending the Third Guangdong Foreign-Invested Enterprises Commodities Fair 2. Attending the first China-Eurasia Expo. 3. Attending the Seventh Pan-Pearl River Delta Regional Co-operation and Development Forum and Trade Fair 	162,000	28,000	46,000	236,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD) ^	Hotel Accommodation (HKD) ^	Other Expenses* (HKD) ^	Grand Total (HKD) ^
Hong Kong Observatory	33 times	Including Beijing, Guangzhou, Hangzhou, Tianjin, Xiamen, Sanya, Guilin	48 people	<ol style="list-style-type: none"> 1. Attend Typhoon Committee 44th Session meeting 2. Attend 24th session of the UNESCO IOC Intergovernmental Coordination Group for the Tsunami Warning and Mitigation System 3. Attend Regional Seminar on Aeronautical Met Services in Asia 4. Visit China Earthquake Administration and State Oceanic Administration 	66,000	67,000	90,000	223,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Hong Kong Post	6 times	Including Beijing, Nanjing, Guangzhou and Wuxi	16 people	<ol style="list-style-type: none"> 1. To attend meetings with State Post Bureau, China Post and Macao Post to promote postal co-operation 2. To attend a meeting organized by the Asian-Pacific Postal Union 3. To participate in the Asian International Stamp Exhibition 	53,000	23,000	18,000	94,000
Invest Hong Kong	47 times	Including Beijing, Shanghai, Chengdu, Kunming, Hangzhou, Chongqing, Shengzhen, Guangzhou & Tianjin	101 people	<ol style="list-style-type: none"> 1. Visit Mainland companies that have an interest to invest in Hong Kong 2. Organise and attend investment promotion seminars 3. Meet with counterparts in Mainland authorities to enhance cooperation on investment promotion matters 	338,000	168,000	334,000	840,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Intellectual Property Department	12 times	Including Shenzhen, Guangzhou, Beijing, Foshan, Zhaoqing, Dongguan, Nanchang	31 people	<ol style="list-style-type: none"> 1. Jointly organised a Seminar on Intellectual Property and Development of Small and Medium Enterprises 2. Jointly organised the meeting of “Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights” 3. Attended the Pan-Pearl River Delta Intellectual Property Cooperation Joint Conference cum the Intellectual Property Forum 	23,000	14,000	21,000	58,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Trade and Industry Department	23 times	Including Beijing, Hangzhou, Dongguan Huizhou, Guangzhou, Urumqi, Suzhou, Chongqing and Shenzhen	85 people	<ol style="list-style-type: none"> 1. To attend meetings and activities relating to CEPA 2. To attend meetings with Mainland officials for enhancing economic and trade cooperation between the two places 3. To attend activities on promoting Hong Kong 	253,000	89,000	76,000	418,000

2012 – 2013

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD) [^]	Hotel Accommodation (HKD) [^]	Other Expenses* (HKD) [^]	Grand Total (HKD) [^]
Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	23 times	Including Beijing, Chengdu, Dongguan, Guangzhou, Guilin, Haikou, Hangzhou, Liuzhou, Nanning, Ningbo, Shanghai, Tianjin, Shenzhen Urumqi, Wuhan and Xiamen	45 people	<ol style="list-style-type: none"> 1. Exchange with the State Intellectual Property Office 2. Attending 2012 Ningbo-Hong Kong Economic Cooperation Forum and the Bay Economy Development Forum cum Sanmen Bay Area Information Session 3. Attending meeting with China National Tourism Administration 	207,000	41,000	54,000	302,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD) ^	Hotel Accommodation (HKD) ^	Other Expenses* (HKD) ^	Grand Total (HKD) ^
Hong Kong Observatory	37 times	Including Beijing, Shanghai, Shenyung, Chengdu, Shaoguan, Wuhan	54 people	<ol style="list-style-type: none"> 1. Attend 29th annual Meeting of the China Meteorological Society 2. Visit CMA, China Earthquake Administration (CEA), National Nuclear Emergency Response Office (NNAEO), China Institute of Atomic Energy (CIAE) and Civil Aviation Administration of China (CAAC) 3. Attend the 8th Session of the Forum on Regional Climate Monitoring Assessment and Prediction for Asia 4. Attend the 27th Guangzhou-Hong Kong-Macau Meeting on Cooperation in Met Operations 	133,000	31,000	150,000	314,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Hong Kong Post	4 times	Including Xian, Guangzhou, Zhongshan, Harbin and Beijing	8 people	<ol style="list-style-type: none"> 1. To attend meetings with State Post Bureau, China Post and Macao Post to promote postal co-operation 2. To attend a meeting organised by Kahala Post Group 	23,000	10,000	9,000	42,000
Invest Hong Kong	42 times	Including Beijing, Shanghai, Chengdu, Hangzhou, Chongqing, Guangzhou, Tianjin, Wuhan, Tengshan & Suzhou	88 people	<ol style="list-style-type: none"> 1. Visit Mainland companies that have an interest to invest in Hong Kong 2. Organise and attend investment promotion seminars 3. Meet with counterparts in Mainland authorities to enhance cooperation on investment promotion matters 	379,000	170,000	283,000	832,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD) [^]	Hotel Accommodation (HKD) [^]	Other Expenses* (HKD) [^]	Grand Total (HKD) [^]
Intellectual Property Department	17 times	Including Beijing, Guangzhou, Shenzhen, Dalian, Shanghai, Hainan, Qingyuan	38 people	<ol style="list-style-type: none"> 1. Meeting with the State Administration for Industry and Commerce and the State Intellectual Property Office 2. Jointly organised a Seminar on Intellectual Property and Development of Small and Medium Enterprises 3. Attended Diplomatic Conference of the Beijing Treaty on Audiovisual Performances 4. Attended the Pan-Pearl River Delta Intellectual Property Cooperation Joint Conference cum the Intellectual Property Forum 5. Jointly organised copyright exchange programme 	80,000	62,000	45,000	187,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Trade and Industry Department	20 times	Including Beijing, Wuhan, Guangzhou, Chengdu, Xiamen, Shanghai, Fuzhou, Hainan and Shenzhen	50 people	<ol style="list-style-type: none"> 1. To attend meetings and activities relating to CEPA 2. To attend meetings with Mainland officials for enhancing economic and trade cooperation between the two places 3. To attend activities on promoting Hong Kong 	174,000	52,000	51,000	277,000

2013 – 2014

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD) [^]	Hotel Accommodation (HKD) [^]	Other Expenses* (HKD) [^]	Grand Total (HKD) [^]
Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	33 times	Including Beijing, Chongqing, Fuzhou, Guangzhou, Guiyang, Kunming, Nanning, Ningxia, Qinzhou, Shanghai, Shenzhen, Wuhan, Xiamen, Xian, Zhengzhou, Zhuhai and Dongguan	75 people	<ol style="list-style-type: none"> 1. Attending the opening ceremony of Expo Central China 2013 and the Expo's Summit Forum 2. Attending Guangzhou exchange conference on liberalisation of trade in services between Hong Kong and Guangdong 3. Participating in the Ninth Pan Pearl River Delta Region Development and Cooperation Forum and trade Symposium. 	314,000	69,000	82,000	465,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Hong Kong Observatory	26 times	Including Beijing, Zhuhai, Nanjing, Guangzhou, Xiamen, Hangzhou	41 people	<ol style="list-style-type: none"> 1. Attend CAAC High Level Meeting 2. Attend the 9th Session of the Forum on Regional Climate Monitoring Assessment and Prediction for Asia 3. Attend Symposium on Nuclear Emergency Consequence Assessment Technology 4. Attend International Civil Aviation Organization (ICAO) Meteorological Hazard Task Force/4 (MET/H TF/4) Meeting 	61,000	55,000	81,000	197,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Hong Kong Post	7 times	Including Guangzhou, Shenzhen and Beijing	15 people	<ol style="list-style-type: none"> 1. To attend meetings with China Post and business partners in the Mainland China to promote postal co-operation 2. To attend the Asia Pacific Post Cooperative Management Board Meeting 3. To attend a forum organised by the Universal Postal Union 	8,000	9,000	6,000	23,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Invest Hong Kong	32 times	Including Beijing, Shanghai, Shenzhen, Guangzhou & Xiamen	62 people	<ol style="list-style-type: none"> 1. Visit Mainland companies that have an interest to invest in Hong Kong 2. Organise and attend investment promotion seminars 3. Meet with counterparts in Mainland authorities to enhance cooperation on investment promotion matters. 	275,000	160,000	350,000	785,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD) [^]	Hotel Accommodation (HKD) [^]	Other Expenses* (HKD) [^]	Grand Total (HKD) [^]
Intellectual Property Department	20 times	Including Qingyuan, Dalian, Beijing, Guangzhou, Guizhou, Sichuan, Shenzhen, Shanghai, Ningbo, Shanwei, Dongguan	59 people	<ol style="list-style-type: none"> 1. Jointly organised a Seminar on Intellectual Property and Development of Small and Medium Enterprises 2. Jointly organised the meeting of “Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights” 3. Attended the Pan-Pearl River Delta Intellectual Property Cooperation Joint Conference 4. Jointly organised copyright exchange programme 5. Jointly organised 2014 Trademark and Brand Protection Training Programme 6. Meeting with the State Intellectual Property Office 7. Attended Asia-Pacific Economic Cooperation Intellectual Property Rights Experts Group Meeting 	101,000	50,000	55,000	206,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Trade and Industry Department	21 times	Including Beijing, Guangzhou, Xiamen, Huizhou, Xinhui, Zhuhai, Nanjing, Shanghai, Fuzhou, Ningbo and Shenzhen	63 people	<ol style="list-style-type: none"> 1. To attend meetings and activities relating to CEPA 2. To attend meetings with Mainland officials for enhancing economic and trade cooperation between the two places 3. To attend activities on promoting Hong Kong 4. To attend APEC meetings 5. To attend Kimberly Process meetings 	162,000	128,000	95,000	385,000

2014 - 2015 (as at 28.2.2015)

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD) [^]	Hotel Accommodation (HKD) [^]	Other Expenses* (HKD) [^]	Grand Total (HKD) [^]
Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	26 times	Including Beijing, Changsha, Chongqing, Fuzhou, Guangzhou, Harbin, Nanjing, Qingdao, Shanghai, Xiamen, Shenzhen, Xinhui and Xian	55 people	<ol style="list-style-type: none"> 1. Attending the 21st Asia-Pacific Economic Cooperation Small and Medium Enterprises Ministerial Meeting 2. Attending APEC ministerial meeting 3. Attending Harbin Hong Kong Week 2014 activities 	314,000	51,000	80,000	445,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Hong Kong Observatory	27 times	Including Beijing, Shanghai, Guangzhou, Qingdao, Zhuhai	39 people	<ol style="list-style-type: none"> 1. Attend the 18th Meeting of the Meteorology Sub-group of ICAO 2. Attend the 10th Session of the Forum on Regional Climate Monitoring, Assessment and Prediction for Asia 3. Visit the Shanghai Radiation Environmental Supervision Station 	51,000	37,000	63,000	151,000
Hong Kong Post	4 times	Including Shenzhen, Xian, Shanghai and Beijing	9 people	<ol style="list-style-type: none"> 1. To attend meetings with China Post and business partners in the Mainland China to promote postal co-operation 2. To attend meetings organised by Kahala Post Group 	13,000	9,000	7,000	29,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Invest Hong Kong	32 times	Including Beijing, Shanghai, Kunming, Chongqing, Shenzhen, Xian, Wuhan, Nanjing & Yinchuan	53 people	<ol style="list-style-type: none"> 1. Visit Mainland companies that have an interest to invest in Hong Kong 2. Organise and attend investment promotion seminars 3. Meet with counterparts in Mainland authorities to enhance cooperation on investment promotion matters 	220,000	116,000	222,000	558,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD) [^]	Hotel Accommodation (HKD) [^]	Other Expenses* (HKD) [^]	Grand Total (HKD) [^]
Intellectual Property Department	13 times	Including Guangzhou, Shanwei, Foshan, Shenzhen, Beijing, Shanghai, Zhongshan	44 people	<ol style="list-style-type: none"> 1. Jointly organised web interviews cum launching ceremony of the Announcement of Public Interest for “No Fakes Pledge” 2. Jointly organised a Seminar on Intellectual Property and Development of Small and Medium Enterprises 3. Jointly organised the meeting of “Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights” 4. Meeting with the State Intellectual Property Office and China Trademark Office of the State Administration for Industry and Commerce 5. Attended Asia-Pacific Economic Cooperation Intellectual Property Rights Experts Group Meeting 6. Jointly organised the Pan-Pearl River Delta Intellectual Property Cooperation Joint Conference cum Exchange Activities 	103,000	48,000	59,000	210,000

Department	Total no. of meetings, visits or exchanges	Place of visit	Total size of entourage	Major Purposes	Passage (HKD)[^]	Hotel Accommodation (HKD)[^]	Other Expenses* (HKD)[^]	Grand Total (HKD)[^]
Trade and Industry Department	20 times	Including Beijing, Guangzhou, Nanjing, Shanghai, Qingdao, Chongqing, Suzhou · Harbin and Shenzhen	70 people	<ol style="list-style-type: none"> 1. To attend meetings and activities relating to CEPA 2. To attend meetings with Mainland officials for enhancing economic and trade cooperation between the two places 3. To attend activities on promoting Hong Kong 4. To attend APEC meetings 5. To attend Kimberly Process meetings 	299,000	465,000	418,000	1,182,000

* Other expenses include subsistence allowance paid to the officers for duty outside Hong Kong and other sundries (if applicable).

[^] Figures rounded to nearest thousand.

CONTROLLING OFFICER'S REPLY

CEDB(CIT)079

(Question Serial No. 1560)

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

Subhead (No. & title): (-) -

Programme: (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Would the Government advise this Committee:

- (a) the total estimated expenditure required for trade and services promotion and the estimated average expenditure for each event for 2015-16; and
- (b) the type of trade and services promotion events that incurs the highest/lowest average expenditure over the past 5 years and the reasons?

Asked by: Hon IP LAU Suk-ye, Regina (Member Question No. 26)

Reply:

In 2015-16, the Hong Kong Trade Development Council will organise about 830 events to promote Hong Kong's manufacturing and services sectors. The total expenditure is estimated to be about HK\$2,841 million. Major promotional formats include exhibition, conference, mission, roadshow, seminar, workshop, business matching and product display etc.. The event expenditure will depend mainly on event format, scale, number of participating companies, publicity, location and venue requirement etc.. In general, the average expenditure for promotional events in overseas markets is higher while the expenditure for small scale events held in Hong Kong such as workshop and seminar is lower.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)080

(Question Serial No. 1561)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- a. Will the Government advise this Committee of the numbers of overnight and same-day visitors over the past 5 years and recently? Please explain the downward trend, if any, in the number of same-day visitors.
- b. The actual increase in tourism expenditure associated with inbound tourism dropped from 13.9% in 2013 to 8.7% in 2014, indicating a downward trend in that respect. Will the Government advise this Committee of the reasons for the further reduction of the increase in tourism expenditure associated with inbound tourism to 5.5% as anticipated in 2015?
- c. On what basis is the expenditure per capita overnight visitor for 2015 estimated to be \$8,062?

Asked by: Hon IP LAU Suk-ye, Regina (Member Question No. 27)

Reply:

- (a) According to the statistics provided by the Hong Kong Tourism Board (HKTB), both overnight and same-day visitor arrivals recorded annual growth in the past 5 years (i.e. 2010-2014). Details are as follows :

Year	Overnight arrivals		Same-day arrivals	
	Number	as compared with the preceding year	Number	as compared with the preceding year
2010	20.09 million	+18.7%	15.95 million	+25.9%
2011	22.32 million	+11.1%	19.61 million	+23.0%
2012	23.77 million	+6.5%	24.84 million	+26.7%
2013	25.66 million	+8.0%	28.64 million	+15.3%
2014	27.77 million	+8.2%	33.07 million	+15.5%

- (b) The HKTB projects that the growth in total expenditure associated with inbound tourism in 2015 will decelerate as compared with the preceding year. This is mainly due to the slowdown in growth of visitor arrivals, as forecast by the HKTB, from 12% in 2014 to 6.4% in 2015. In addition, spending power of visitors to Hong Kong may also be affected by various factors, including change of spending pattern of Mainland visitors, fluctuation of exchange rates, and the economic development of certain market regions.
- (c) The HKTB takes into account a number of factors when making annual projections on the various tourism performance indicators, including the average per capita spending of overnight visitors. These factors include risks and opportunities facing the tourism industry, tourism-related policies, tourism developments and trends in our major source markets, and the analyses and forecasts by relevant international organizations.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)081

(Question Serial No. 1563)

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

Subhead (No. & title): (-) -

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In respect of the subvention to the Consumer Council, provision for 2015–16 is \$1.1 million higher than the revised estimate for 2014–15. Will the Government explain why there is an increased provision of manpower resources for the Council? If the increased provision is due to an increase in the number of posts, please list the post titles and the detailed expenditure involved.

Asked by: Hon IP LAU Suk-ye, Regina (Member Question No. 29)

Reply:

The subvention provision for the Consumer Council for 2015-16 is \$1.1 million higher than the revised estimate for 2014-15. The increased provision will be used for the salary expenses for a new permanent post of the Council, which is mainly responsible for handling information technology matters.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)082

(Question Serial No. 1602)

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

Subhead (No. & title): (-) -

Programme: (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government inform this Committee of:

- (a) the details of the measures in helping Hong Kong companies to deepen their penetration into the Association of Southeast Asian Nations (ASEAN) and Indian markets so far;
- (b) the estimated total expenditure for helping Hong Kong companies to penetrate into ASEAN and Indian markets; and
- (c) the average annual expenditure for penetrating into ASEAN and Indian markets?

Asked by: Hon IP LAU Suk-ye, Regina (Member Question No. 59)

Reply:

The Hong Kong Trade Development Council (HKTDC) has been helping Hong Kong companies to deepen penetration into the Association of Southeast Asian Nations (ASEAN) countries and Indian markets proactively. In 2014-15, the HKTDC provided small and medium enterprises (SMEs) with the latest market intelligence through its multimedia portal "HKTDC Research" and a number of research publications. It also organised a variety of activities, such as trade fairs, business missions, product displays and incoming buying missions etc., bringing a total of over 230 SMEs to countries such as Indonesia, India and Myanmar etc. for market visits and trade promotion, to help Hong Kong companies tap opportunities and expand networks in ASEAN countries and India. As for promotion of services industries, the HKTDC arranged outbound missions to assist different local services industries in exploring emerging markets. For example, the HKTDC organised a mission to Jakarta in Indonesia for the logistics industry in September 2014.

In 2015-16, the HKTDC will promote the major export products of Hong Kong in these markets such as electronics, fashion and accessories, watches and clocks, jewellery, gifts and household products etc., as well as the advantages of Hong Kong services industries. For example, the HKTDC will organise Hong Kong product exhibitions in these markets, lead Hong Kong companies to participate in large-scale fairs in these markets, arrange inbound and outbound business missions, enhance promotion and invite major importers and distributors from these markets to participate in the HKTDC's signature service promotion events in Hong Kong, including the "Asian Financial Forum", the "Asian Logistics and Maritime Conference", the "Hong Kong International Licensing Show", the "InnoDesignTech Expo" and the "Hong Kong International Film and TV Market" etc., and organise better business matching and networking activities etc.. Some of the highlighted activities are as follows:

- to launch a signature campaign "In Style · Hong Kong" in Jakarta in Indonesia to publicise Hong Kong as a lifestyle trendsetter and promote Hong Kong brands;
- to explore collaboration with the Trade Development Bureau of the Ministry of Commerce of the People's Republic of China to stage a large-scale product promotion event in New Delhi in India;
- to organise business missions to New Delhi and other cities in India to explore business opportunities in different sectors including gifts and premiums, autoparts and electronics, information and communication technology, and lifestyle products;
- to organise an infrastructure and real estate services mission to help Hong Kong service providers and Mainland developers jointly explore opportunities arising from the urbanisation trend in ASEAN countries such as Thailand and Myanmar;
- to organise roadshows in ASEAN countries and India to promote Hong Kong's design, marketing and branding services; and
- to upgrade its information gathering centre in Singapore to an overseas office to support a range of the HKTDC's promotional activities in the ASEAN region, and help Hong Kong companies expand their businesses in the region.

The above are part of the work covered under Programme (3) to be carried out by the HKTDC's existing staff. We do not have separate breakdown of staff establishment and expenditure for each of them.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)083

(Question Serial No. 2217)

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

Subhead (No. & title): (-) -

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please give a breakdown of the actual expenditure on salaries, regularly-paid allowances, job-related allowances and non-accountable entertainment allowance payable to the Political Assistant in 2014-15, as well as the estimate for salaries, regularly-paid allowances, job-related allowances and non-accountable entertainment allowance payable to the Political Assistant in 2015-16.

Asked by: Hon KWOK Ka-ki (Member Question No. 14)

Reply:

The revised estimate for the salary in respect of the position of Political Assistant (PA) to Secretary for Commerce and Economic Development (SCED) for 2014-15 is \$1.2 million. For budgetary purposes, the provision for the salary in respect of the position of PA to SCED for 2015-16 is \$1.25 million.

In 2014-15 and 2015-16, this Bureau has no expenditure and estimate on regularly-paid allowances, job-related allowances and non-accountable entertainment allowance for PA to SCED.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)084

(Question Serial No. 2222)

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

Subhead (No. & title): (-) -

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please give a breakdown of the actual expenditure on salaries, regularly-paid allowances, job-related allowances and non-accountable entertainment allowance payable to the Secretary in 2014-15, as well as the estimate for salaries, regularly-paid allowances, job-related allowances and non-accountable entertainment allowance payable to the Secretary in 2015-16.

Asked by: Hon KWOK Ka-ki (Member Question No. 19)

Reply:

The revised estimate for the salary in respect of the position of Under Secretary for Commerce and Economic Development (USCED) for 2014-15 is \$2.22 million. For budgetary purposes, the provision for the salary in respect of the position of USCED for 2015-16 is \$2.33 million.

In 2014-15 and 2015-16, this Bureau has no expenditure and estimate on regularly-paid allowances, job-related allowances and non-accountable entertainment allowance for USCED.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)085

(Question Serial No. 2238)

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

Subhead (No. & title): (-) -

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please give a breakdown of the actual expenditure on salaries, regularly-paid allowances, job-related allowances and non-accountable entertainment allowance payable to the Secretary in 2014-15, as well as the estimate for salaries, regularly-paid allowances, job-related allowances and non-accountable entertainment allowance payable to the Secretary in 2015-16.

Asked by: Hon KWOK Ka-ki (Member Question No. 35)

Reply:

The revised estimate for the salary in respect of the position of Secretary for Commerce and Economic Development (SCED) for 2014-15 is \$342 million. For budgetary purposes, the provision for the salary in respect of the position of SCED for 2015-16 is \$3.58 million.

In 2014-15 and 2015-16, this Bureau has no expenditure and estimate on regularly-paid allowances, job-related allowances and non-accountable entertainment allowance for SCED.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)086

(Question Serial No. 1521)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Budget that a number of measures will be implemented to support small and medium enterprises (SME). Would the Government please advise this Committee the effectiveness of the special concessionary measures under the SME Financing Guarantee Scheme, the number of applications approved, the number of applications rejected and the total amount of funds approved over the past year?

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. 12)

Reply:

The Hong Kong Mortgage Corporation Limited (HKMC) launched the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) on 31 May 2012 to provide 80% loan guarantees at concessionary fee rates. The Government provides a total loan guarantee commitment of \$100 billion. As at the end of February 2015, the HKMC has received over 11 000 applications and approved over 9 800 of them, involving a total loan amount of about \$40.5 billion and a total guarantee amount of about \$32.4 billion. Excluding 91 applications under processing and 987 applications withdrawn by lending institutions, the overall success rate of applications is about 99.3%. 69 applications have been rejected, and the percentage is about 0.7%. 10 applications were rejected due to failure to meet the eligibility requirements while the reasons for the remaining 59 applications being rejected included poor repayment ability, poor financial performance and account conduct, high leverage, poor record of accounts receivable, or having pending legal litigation with significant financial impact, etc.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)087

(Question Serial No. 1522)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Budget that a number of measures will be implemented to support small and medium enterprises (SME). Would the Government please advise this Committee the effectiveness of the SME Export Marketing and Development Funds, the number of applications approved, the number of applications rejected and the total amount of funds approved over the past year?

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. 13)

Reply:

The statistics of the SME Export Marketing Fund (EMF) and SME Development Fund (SDF) from April 2014 to the end of February 2015 are as follows:

	EMF	SDF
Number of Applications Approved	11 582	14
Number of Applications Rejected	3 129	14
Amount of Grants for Applications Approved (\$)	\$187,058,986	\$14,885,069

The EMF aims at encouraging small and medium enterprises (SMEs) to participate in export promotion activities. The current scope of funding covers participation in exhibitions and business missions, as well as placing advertisement on printed trade publications targeting export markets and on eligible trade websites. Since the establishment of the

EMF in 2001 up to the end of February 2015, over 185 000 applications were approved involving a total grant amount of around \$2.8 billion, benefitting over 42 000 SMEs.

The SDF provides financial support to non-profit-distributing organisations (including trade and industrial organisations, professional bodies and research institutes) to implement projects which aim at enhancing the competitiveness of SMEs in general or in specific sectors in Hong Kong. Since the establishment of the SDF in 2001 up to the end of February 2015, over 240 applications were approved involving a total grant amount of around \$270 million, benefitting a wide range of sectors and enterprises.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)088

(Question Serial No. 1527)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget this year that tourism accounts for 5% of the Gross Domestic Product (GDP), which is higher than 4.5% in the year before last, and employs 270 000 people, driving the growth of many industries. In 2014, visitors to Hong Kong exceeded 60 million, an increase of 12% over last year. Total spending went up by 9% to more than \$350 billion.

- (a) What are the estimated number of people to be employed by tourism and related industries and the growth rate in the coming year?
- (b) It has been the wish of the tourism industry to move up the value chain so as to facilitate the healthy and long-term development of the industry. To this end, what are the measures to be rolled out and what is the expenditure involved?
- (c) In view of the increasing number of inbound visitors, what are the specific measures to be taken for enhancing Hong Kong's receiving capacity and what is the expenditure involved?

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. 51)

Reply:

(a) The manpower demand and the growth of the tourism and related industries in the forthcoming year will be affected by various factors such as change in global macroeconomic environment, fluctuations in exchange rate and change in spending pattern of tourists, etc., the HKSAR Government does not have the relevant estimates.

(b) – (c) The HKSAR Government attaches great importance to the long-term and healthy development of Hong Kong’s tourism industry. At the same time, we understand the community’s concern about the impact of the continuous growth in visitor arrivals on people’s livelihood. Thus, regarding this issue, the HKSAR Government has been working on various fronts, including the Assessment Report on Hong Kong’s Capacity to Receive Tourists (Assessment Report) finished in late 2013. The HKSAR Government is working in earnest to enhance Hong Kong’s capacity to receive tourists along the recommendations in the Assessment Report, and will strive to attract high-spending visitors.

On theme parks, Hong Kong’s 2 flagship theme parks (i.e. Hong Kong Disneyland and Ocean Park) will continue to press ahead with their new development projects. The Ocean Park has embarked on developing an all-weather indoor cum outdoor waterpark at Tai Shue Wan. The construction works of the Park’s first hotel, namely Hong Kong Ocean Park Marriott Hotel, has also commenced. These 2 projects are expected to be completed by 2017. Besides, the Ocean Park has invited expression of interest (EOI) for the Fisherman’s Wharf Hotel project. Subject to the EOI results, the Ocean Park will conduct re-tender for the hotel development concerned. As regards the Hong Kong Disneyland (HKDL), further to the launch of the new night time parade “Disney Paint the Night” in October 2014, the HKDL will continue to launch a series of new initiatives, including the 10th Anniversary Celebration later this year, a new themed area based on Marvel’s Iron Man franchise by the end of 2016, and a new 750-room hotel with a theme dedicated to the spirit of exploration in early 2017. The HKSAR Government has also commenced discussions on the Phase 2 development of the Hong Kong Disneyland Resort with The Walt Disney Company.

On the hotel supply front, there were a total of 244 hotels providing 72 700 hotel rooms as at end 2014. The new hotel projects of our 2 flagship theme parks and the airport’s North Commercial District will come on stream, providing a total of about 2 200 rooms. In addition, the HKSAR Government has included in the 2015-16 Land Sale Programme a hotel site within the “hotel belt” along the former Kai Tak Runway. This development is expected to provide some 500 hotel rooms. All in all, it is expected that more new hotels will be coming on stream in the years ahead and the total number of hotel room supply in 2017 will increase to around 84 000.

As for attracting high-spending visitors, the Working Group on Convention and Exhibition Industries and Tourism under the Economic Development Commission considers that Lantau and the Kai Tak Fantasy have potential to be developed into tourism hubs with specialized facilities which can appeal for more visitors of high spending power to Hong Kong. The Lantau Development Advisory Committee was set up in March 2014 to facilitate the consideration and implementation of those worthwhile and practicable proposals. The result of the International Ideas Competition for the Kai Tak Fantasy was announced in November 2014, and the HKSAR Government will make reference to the design and ideas of the winning and shortlisted submissions to take forward the project.

Overnight business and MICE visitors who usually have higher spending power are our prime targets. One of the HKSAR Government’s major tourism development strategies is to further enhance the appeal of Hong Kong as a premier destination for MICE tourism in the region. In view of the growing competition in the MICE industry of the region, the

Meetings and Exhibitions Hong Kong (MEHK) Office under the Hong Kong Tourism Board will continue to endeavour in attracting more international MICE events to Hong Kong with the aim of strengthening the image of Hong Kong as the “World’s Meeting Place”. Besides, in order to facilitate the long term development of the convention industry in Hong Kong, the HKSAR Government will consider constructing a new convention centre above the Exhibition Station of the Shatin to Central Link upon the latter’s completion around 2020, and has invited the Hong Kong Trade Development Council to proceed with planning. On the other hand, the HKSAR Government will also work with the Guangdong and Macao authorities to promote multi-destination tourism for overseas visitors, and invite neighbouring ports to join the Asia Cruise Fund with a view to encouraging cruise companies to include Hong Kong in their itineraries, thereby attracting more high-spending cruise visitors to Hong Kong.

Enhancing Hong Kong’s capacity to receive tourists is an on-going task. The relevant expenditure has been subsumed within the establishment and provision of the Bureau and relevant departments and organizations. It is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)089

(Question Serial No. 1532)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It was proposed in the Budget that the Government should consider introducing Food Trucks from overseas so that visitors can enjoy delicacies and Hong Kong's spectacular scenery at the same time. Would the Government advise on the following:

- (a) What is the estimated operational cost of introducing Food Trucks from overseas?
- (b) How will the Government tackle potential problems arising from the introduction of Food Trucks, such as ensuring environmental hygiene and tying in with traffic and transport arrangements?
- (c) What is the estimated investment for each Food Truck? If the cost is lower than running a restaurant, has the Government considered combining this initiative with policies for promoting entrepreneurship among Hong Kong people to encourage young people to run the Food Trucks, such as by providing subsidies? If so, what are the details and the expenditure involved?

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. 57)

Reply:

a-c Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation (including types of operator and cost of operation etc.), food safety,

environmental hygiene and other impacts (including traffic and transport), etc. with a view to bringing in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea, Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required.

Relevant bureaux and departments will conduct the above study with existing resources. No additional expenses and manpower will be incurred.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)090

(Question Serial No. 1537)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2015-16, what plans does the Government have to nurture emerging industries and support small and medium enterprises (SMEs)? With respect to giving support to SMEs, what is the estimated expenditure involved?

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. 19)

Reply:

Nurturing Emerging Industries

Creative Industries

Create Hong Kong (CreateHK) under the Communications and Technology Branch of the Commerce and Economic Development Bureau provides financial support through the CreateSmart Initiative (CSI) for projects which are conducive to the development of creative industries, with a view to helping the trade explore markets and supporting start-ups. The Financial Secretary has announced in the 2015-16 Budget that the Government would inject an additional \$400 million into the CSI to support different sectors of the creative industries. Efforts would be made to assist them to participate in and organise exhibitions and fairs, provide talented people with training programmes and subsidised overseas exchanges and internships.

On the front of supporting the design sector, the Government will allocate \$80 million to support the basic operation of the Hong Kong Design Centre from July 2015 to March 2019.

The Government will also continue to support the Design Incubation Programme, and will consider expanding its scale so as to nurture more design start-ups.

Radio Television Hong Kong (RTHK) has launched Television (TV) Programme Commissioning for more than 10 years to provide a platform for new local producers to showcase their productions, including documentary, drama and animation, through RTHK's programming hours and help inject creativity to and foster talents for Hong Kong's broadcasting industry. In 2014-15, the estimated transmission hours of commissioning programmes would be around 24 hours and the budget is around \$9.95 million. In 2015-16, the estimated transmission hours and the budget for commissioning programmes would be roughly the same as those of the current financial year.

Innovation and Technology

Innovation and technology are two important economic drivers, supporting the development of other industries. With a view to promoting the development of innovation and technology industries in Hong Kong and thus enhancing the city's long-term competitiveness, the Chief Executive announced in the 2014 Policy Address his decision to re-initiate the setting up of an Innovation and Technology Bureau (ITB). We shall continue to take forward the relevant work, and strive for the support of all the Legislative Council Members for the early establishment of the ITB.

The Government is committed to promoting the collaboration among the Government, industry, academia and research sector for the development of innovation and technology in Hong Kong through the provision of hardware and software support. On hardware, we provide infrastructure to technology-based companies mainly through the Hong Kong Science Park. On software, we provide funding for projects that contribute to innovation and technology upgrading in industry through the Innovation and Technology Fund.

Innovation and Technology Fund (ITF)

In order to provide sustained and comprehensive support for innovation and technology development, the Chief Executive announced in the 2015 Policy Address the proposal to inject \$5 billion into the ITF and subsume the Research and Development (R&D) Cash Rebate Scheme under the ITF. The relevant proposal was approved by the Legislative Council Finance Committee on 27 February 2015.

Enterprise Support Scheme (ESS)

To provide better funding support to technology enterprises in Hong Kong, as well as to encourage more private sector investment in R&D activities, the Innovation and Technology Commission (ITC) will launch a new Enterprise Support Scheme (ESS) around April 2015 to gradually replace the Small Entrepreneur Research Assistance Programme (SERAP) with the following improved features –

- (a) Size of Company – companies registered in Hong Kong, regardless of their size, will be eligible to apply;

- (b) Funding Ceiling – funding of up to \$10 million for each approved project will be provided on a matching basis; and
- (c) Recoupment Requirement – in contrast with SERAP, there will be no requirement for recoupment of Government’s contribution.

In addition, we will introduce a designated track for ESS applicants which have fewer than 100 employees and are seeking funding support of no more than \$2.8 million per project. This will enable small and medium enterprises’ applications to be handled more effectively and in a focused manner.

Technology Start-up Support Scheme for Universities (TSSSU)

ITC set up in September 2014 a Technology Start-up Support Scheme for Universities (TSSSU) to encourage the teams of six local universities to start technology businesses, bring R&D results from the campus to the real world, and facilitate the realisation of R&D results. The features of TSSSU are as follows –

- (a) an annual funding of up to \$4 million is provided, initially for three years (i.e. from 2014-15 to 2016-17), to each of the six local universities;
- (b) payment will be made by ITC on a reimbursement basis after the close of each Government financial year; and
- (c) the scope of funding includes essential items for setting up and operating the technology start-ups (e.g. manpower, furniture and equipment, legal and accounting services, rental of necessary and suitable premises, etc.), expenditure on R&D, promotion of the technology start-ups and marketing of their project deliverables.

Hong Kong Science and Technology Parks Corporation (HKSTPC)

The Hong Kong Science and Technology Parks Corporation (HKSTPC) provides support to technology start-ups mainly through the following means --

- (a) Running the following three incubation programmes –
 - (i) Incu-Tech Programme;
 - (ii) Incu-Bio Programme; and
 - (iii) Incu-App Programme.

HKSTPC’s incubation programmes provide start-ups with a structured form of support, including provision of subsidised office space, various financial aid packages and networking platforms, dissemination of information and market intelligence, promotion and attraction of overseas investments, development of promotion and marketing channels, etc. From 1992 up to the end of February 2015, 349 technology companies have graduated from the incubation programmes. The number of incubatees currently enrolled in the programmes is 174. HKSTPC will provide additional resources to increase the enrollment number of incubatees to 185 in 2015-16;

- (b) HKSTPC launched the Leading Enterprises Acceleration Programme (LEAP) in early 2014. LEAP is designed to help nurture outstanding incubatees and graduates of its incubation programmes by providing assistance in business development, corporate development as well as other key aspects to further foster their development. Currently four companies are enrolled in LEAP and HKSTPC plans to select another four to eight enterprises to join the programme;
- (c) To help fill the funding gap encountered by local technology start-ups during their early investment stage, and to encourage more investment from angel investors and investment funds in the local innovation and technology industry, HKSTPC has also proposed to set up a Corporate Venture Fund. HKSTPC has already earmarked \$50 million from its cash reserve for establishing the Fund and is now preparing for the relevant implementation details. It is expected that the Fund would be rolled out later this year; and
- (d) HKSTPC has also reinforced its connection with other stakeholders in the start-up ecosystem (e.g. other co-working space operators, universities, Invest Hong Kong, etc.) through various means.

HKSTPC will use its internal resources to implement the aforementioned initiatives without any extra funding support from the Government.

Supporting the Development of SMEs

The Government attaches great importance to the development of SMEs. We review the various support measures from time to time in order to provide adequate and timely support to SMEs.

The 2015-16 Budget announced that the Government will implement the following measures to support SMEs:

- (1) The Hong Kong Mortgage Corporation Limited (HKMC) launched the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) on 31 May 2012 to provide 80% loan guarantees at concessionary fee rates. The Government provides a total loan guarantee commitment of \$100 billion. The special concessionary measures are time-limited special measures. The original application period was 9 months, which was later extended twice to the end of February 2015. In the light of the current uncertain external economic environment, the Government has further extended the application period of the special concessionary measures for one more year up to the end of February 2016 to continue to assist enterprises in obtaining loans in the commercial lending market. The extension of the application period does not involve additional government resources.
- (2) The three existing SME funding schemes under the Trade and Industry Department, namely the SME Loan Guarantee Scheme (SGS), the SME Export Marketing Fund (EMF) and the SME Development Fund (SDF), assist SMEs in obtaining finance, exploring markets and enhancing the overall competitiveness. The Government proposed to inject \$1.5 billion into the SME Export Marketing and Development

Funds, increase the maximum amount of funding support for each project under the SDF from \$2 million to \$5 million and to expand the scope of the EMF to strengthen the support for SMEs. We will consult the Small and Medium Enterprises Committee and the Legislative Council Panel on Commerce and Industry on the proposals, before seeking funding approval from the Finance Committee.

Provision for the SME funding schemes is under Programme (3) Support for Small and Medium Enterprises and Industries of Head 181 Trade and Industry Department. In 2015, it is estimated that a total of around \$1.14 billion loan guarantees would be issued under the SGS, and grants of around \$220 million and \$18.0 million would be approved under the EMF and the SDF respectively.

- (3) On the intellectual property (IP) front, following the recommendations of the Working Group on IP Trading, the Government would set aside \$23 million in the coming three years and work with the IP sector to launch a series of new initiatives, including the provision of free consultation services to raise the IP awareness of SMEs and help them properly protect, manage and make good use of IP with a view to driving business growth. The Intellectual Property Department (IPD) would also launch an IP Manager Scheme, which seeks to support SMEs in building up their manpower capacity on IP management and commercialisation.

In addition, we will also continue to implement the following measures to support SMEs –

- (1) The \$1 billion Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012 to provide funding support to Hong Kong enterprises and non-profit-distributing organisations to assist enterprises in enhancing their competitiveness and furthering their business development in the Mainland. Provision for the BUD Fund is under Programme (3) Support for Small and Medium Enterprises and Industries of Head 181 Trade and Industry Department. The estimated expenditure in 2015-16 is \$98.6 million.
- (2) The Hong Kong Trade Development Council (HKTDC) has been actively expanding its Design Gallery networks in the Mainland to provide platforms for Hong Kong enterprises, particularly SMEs, to showcase their products and build up greater awareness of Hong Kong brands in the Mainland. HKTDC has opened Design Gallery shops in Beijing, Guangzhou, Qingdao, Shanghai and Chengdu. In addition, HKTDC has collaborated with department stores in the Mainland to open a series of Design Gallery “shops-in-shop” inside the stores. To date, HKTDC has set up a total of 15 “shops-in-shop” in various Mainland cities, including Beijing(4), Wuhan(3), Shanghai(2), Guangzhou(1), Chengdu(1), Chongqing(1), Harbin(1), Shenyang(1) and Xi’an(1). As regards electronic platform, HKTDC has co-operated with Taobao.com since 2010 to set up a business to customer shop. Since March 2014, HKTDC has also set up a new online shop on JD.com, the second largest online shopping platform in the Mainland, to help Hong Kong enterprises expand domestic sales. In 2015-16, HKTDC would continue with the above work with an estimated expenditure of \$105 million.

- (3) The Retail Technology Adoption Assistance Scheme for Manpower Demand Management was launched in December 2014 to support the retail industry (in particular SMEs) to adopt technologies for enhancing their productivity, managing the manpower demands and improving work conditions. The funding of \$50 million is expected to support about 1 000 SMEs. The estimated expenditure in 2015-16 depends on the number of applications.
- (4) The Hong Kong Export Credit Insurance Corporation (ECIC) has launched a “Small Business Policy” (SBP) scheme for Hong Kong enterprises with an annual business turnover of less than \$50 million since 1 March 2013, providing exporters with more flexibility in taking out insurance cover. This measure is implemented within the ECIC’s overall budget, and does not involve additional government resources.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)091

(Question Serial No. 2789)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary has mentioned in the Budget that the Government shall consolidate the existing resources and invest new resources, totalling \$500 million, to launch a series of measures on a pilot basis in the next three years. These include promoting Hong Kong's fashion designers and brands through improving local fashion events and participating in those held overseas, rolling out an incubation programme for up-and-coming fashion design start-ups, providing fashion design graduates with overseas internships and study opportunities, and subsidising participation in international competitions and exhibitions. The Government shall also set up an advisory body for the trade to advise on and co-ordinate the implementation of these measures. What are the relevant details, expenditure involved, manpower arrangements and time table in the coming year? Will the Government consider revitalising more industrial buildings so as to provide more space for the trade?

Asked by: Hon LAM Tai-fai (Member Question No. 59)

Reply:

The Government will consolidate existing and invest new resources, totalling \$500 million, to launch a series of measures on a pilot basis in the next three years. These include promoting Hong Kong's fashion designers and brands through improving local fashion events and participating in those held overseas, rolling out an incubation programme for up-and-coming fashion design start-ups, providing fashion design graduates with overseas internships and study opportunities, subsidising participation in international competitions and exhibitions, and setting up an advisory body for the trade to advise on and co-ordinate the implementation of these measures.

The Government will as a first step set up the advisory body, with a view to working with the advisory body to plan and co-ordinate the details, implementation priority and resources involved of the measures.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)092

(Question Serial No. 2790)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism
(7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2015-16, the Commerce, Industry and Tourism Branch will continue to support the promotion work of the HKTB in key source markets and its marketing efforts in new markets, while the HKTB will focus its resources on 20 key visitor source markets. Please provide the details of work, estimated expenditure and objectives concerned. In view of the continued increasing number of visitors to Hong Kong, would the Government advise on the specific plan, if any, to expand Hong Kong's capacity to receive tourists? What will be the estimated expenditure involved? Has any assessment been made of the impact (including the financial losses, unemployment rates, etc.) on tourism, retail, hotel and catering industries if the "multiple-entry permits" policy is to be revised?

Asked by: Hon LAM Tai-fai (Member Question No. 60)

Reply:

To maintain a diverse visitor portfolio and uphold Hong Kong's image as Asia's world city and a world-class travel destination, in 2015-16, the HKTB will continue to focus its marketing resources on 20 key visitor source markets, which together generated over 96% of all visitor arrivals to Hong Kong. In particular, the resources to be invested in the international markets will account for 76% of the total marketing resources for all visitor source markets. The remaining 24% will be invested in the Mainland market, with the bulk going to non-Guangdong areas to attract overnight visitors.

In 2015-16, the HKTB will allocate 18% resources more than that in previous year to the short-haul markets, focusing on summer and winter promotion in key markets such as Taiwan, South Korea, Indonesia, the Philippines and Singapore. In long-haul markets, the

HKTB will maintain Hong Kong's presence through public relations and digital marketing channels and focus on spring and autumn promotional work. In addition, the HKTB will work closely with other tourism authorities in the Pearl River Delta region to promote multi-destination products featuring Hong Kong to long-haul visitors. Targeting the Mainland market, the HKTB will further expand its reach to the non-Guangdong regions, and step up promotion of visitor offers provided by the local travel trade. As regards new markets, the HKTB will invest more resources in India, which performs relatively well. Of the resources for India, 70% will be invested in Mumbai and New Delhi, and the rest in second-tier cities with direct flights to Hong Kong, so as to achieve the greatest effectiveness in promotion.

The HKTB's estimated marketing budgets for various source markets in 2015-16 are as follows:

	2015-16 Proposed Budget (\$ million)
Mainland China	40.0
Short-haul Markets	66.5
Japan	13.5
Taiwan	12.6
South Korea	12.3
Singapore	5.5
The Philippines	7.1
Malaysia	3.9
Indonesia	7.7
Thailand	3.8
Long-haul Markets	40.5
The US	15.0
Australia	9.0
The UK	6.9
Canada	3.2
Germany	3.6
France	2.8
New Markets	19.6
India	13.6
Russia	3.5
The GCC markets	2.0
Vietnam	0.3
The Netherlands	0.2
Total Marketing Budget for Source Markets	166.6

Remarks: Owing to rounding, the total may differ from the sum of individual figures.

The HKSAR Government attaches great importance to the long-term and healthy development of Hong Kong's tourism industry. At the same time, we understand the community's concern about the impact of the continuous growth in visitor arrivals on people's livelihood. Thus, regarding this issue, the HKSAR Government has been

working on various fronts, including the Assessment Report on Hong Kong's Capacity to Receive Tourists (Assessment Report) finished in late 2013. The HKSAR Government is making great efforts to enhance Hong Kong's capacity to receive tourists along the recommendations in the Assessment Report, and will strive to attract high-spending visitors.

As regards the theme parks, Hong Kong's 2 flagship theme parks (i.e. Hong Kong Disneyland and Ocean Park) will continue to press ahead with their new development projects. The Ocean Park has embarked on developing an all-weather indoor cum outdoor waterpark at Tai Shue Wan. The construction works of the Park's first hotel, namely Hong Kong Ocean Park Marriott Hotel, has also commenced. These 2 projects are expected to be completed by 2017. Besides, the Ocean Park has invited expression of interest (EOI) for the Fisherman's Wharf Hotel project. Subject to the EOI results, the Ocean Park will conduct re-tender for the hotel development concerned. As regards the Hong Kong Disneyland (HKDL), further to the launch of the new night time parade "Disney Paint the Night" in October 2014, the HKDL will continue to launch a series of new initiatives, including the 10th Anniversary Celebration later this year, a new themed area based on Marvel's Iron Man franchise by the end of 2016, and a new 750-room hotel with a theme dedicated to the spirit of exploration in early 2017. The HKSAR Government has also commenced discussions on the Phase 2 development of the Hong Kong Disneyland Resort with The Walt Disney Company.

On the hotel supply front, there were a total of 244 hotels providing 72 700 hotel rooms as at end 2014. The new hotel projects of our 2 flagship theme parks and the airport's North Commercial District will come on stream, providing a total of about 2 200 rooms. In addition, the HKSAR Government has included in the 2015-16 Land Sale Programme a hotel site within the "hotel belt" along the former Kai Tak Runway. This development is expected to provide some 500 hotel rooms. All in all, it is expected that more new hotels will be coming on stream in the years ahead and the total number of hotel room supply in 2017 will increase to around 84 000.

As for attracting high-spending visitors, the Working Group on Convention and Exhibition Industries and Tourism under the Economic Development Commission considers that Lantau and the Kai Tak Fantasy have potential to be developed into tourism hubs with specialized facilities which can appeal for more visitors of high spending power to Hong Kong. The Lantau Development Advisory Committee was set up in March 2014 to facilitate the consideration and implementation of those worthwhile and practicable proposals. The result of the International Ideas Competition for the Kai Tak Fantasy was announced in November 2014, and the HKSAR Government will make reference to the outstanding design and ideas of the winning and shortlisted submissions to take forward the project.

Overnight business and MICE visitors who usually have higher spending power are our prime targets. One of the HKSAR Government's major tourism development strategies is to further enhance the appeal of Hong Kong as a premier destination for MICE tourism in the region. In view of the growing competition in the MICE industry of the region, the Meetings and Exhibitions Hong Kong (MEHK) Office under the Hong Kong Tourism Board will continue to endeavour in attracting more international MICE events to Hong Kong with the aim of strengthening the image of Hong Kong as the "World's Meeting

Place”. Besides, in order to facilitate the long term development of the convention industry in Hong Kong, the HKSAR Government will consider constructing a new convention centre above the Exhibition Station of the Shatin to Central Link upon the latter’s completion around 2020, and has invited the Hong Kong Trade Development Council to proceed with planning. On the other hand, the HKSAR Government will also work with the Guangdong and Macao authorities to promote multi-destination tourism for overseas visitors, and invite neighbouring ports to join the Asia Cruise Fund with a view to encouraging cruise companies to include Hong Kong in their itineraries, thereby attracting more high-spending cruise visitors to Hong Kong.

Enhancing Hong Kong’s capacity to receive tourists is an on-going task. The relevant expenditure has been subsumed within the establishment and provision of the Bureau and relevant departments and organizations. It is difficult to quantify them separately.

As regards the economic impacts brought about by fine-tuning and enhancing the Individual Visit Scheme, different adjustment measures will lead to different extent of reduction in visitor flow in different districts and different sectors. Thus, the exact impact on various industries depends on the fine-tune measure eventually implemented. The HKSAR Government will continue to liaise and exchange views with the Central Government and relevant Mainland authorities.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)093

(Question Serial No. 2793)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Budget proposes to consider introducing Food Trucks, which is popular abroad, to the mix of Hong Kong's existing food scene. Will the Government fully assess the feasibility of introducing Food Trucks and set up a dedicated scheme to subsidise the procurement of Food Trucks? What is the expected expenditure involved?

Asked by: Hon LAM Tai-fai (Member Question No. 31)

Reply:

Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation (including whether to subsidise the purchase of food trucks), food safety and environmental hygiene, etc. with a view to bringing in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea, Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required.

Relevant bureaux and departments will conduct the above study with existing resources. No additional expenses and manpower will be incurred.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)094

(Question Serial No. 3520)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2014-15, the Commerce and Economic Development Bureau worked with the trade, the Hong Kong Tourism Board (HKTB), the Travel Industry Council of Hong Kong, the Consumer Council and the Mainland authorities to promote honest and quality tourism. It also worked with the HKTB, the tourism sector and relevant government departments to promote green tourism products on offer in Hong Kong. Will the Government continue such efforts in the coming year? What are the estimated expenditure and manpower arrangement? How will honest and quality tourism be promoted to rectify the problem of visitors being coerced to shop? What specific green tourism products will be promoted?

Asked by: Hon LAM Tai-fai (Member Question No. 55)

Reply:

The Tourism Commission (TC) under the Commerce, Industry and Tourism Branch (CITB) of the Commerce and Economic Development Bureau is responsible for promoting honest tourism and green tourism in collaboration with local stakeholders as well as Mainland and overseas tourism authorities. The initiative includes strengthening promotion of "Quality and Honest Hong Kong" (Q&H) tours to Mainland consumers and promoting the green tourism products to visitors, international media and overseas trade partners through online platforms, consumer promotions and the media by the Hong Kong Tourism Board (HKTB). The expenditure and manpower of the TC on such work is subsumed into the provision for and establishment of CITB each year. It is difficult to quantify such expenditure separately.

“Quality & Honest Hong Kong (Q&H) Tours”

The HKTB has been promoting “Q&H” tours with the China National Tourism Administration through setting up designated counters to offer tours to Hong Kong. As at end-2013, the number of counters of the scheme, both online and in shops, was 58. Following the implementation of the China Tourism Law on 1 October 2013, which brought forth clear guidelines and requirements on the quality of tourism products, the HKTB has begun to work with Mainland travel agencies offering quality tours to roll out seasonal quality Hong Kong tourism products.

Green Tourism

The TC, in collaboration with the Agriculture, Fisheries and Conservation Department, the HKTB, the travel trade and event organisers, has been actively promoting Hong Kong’s nature-based green tourism products through the HKTB’s “Hong Kong Great Outdoors” platform, covering the Hong Kong Global Geopark of China (the “Geopark”), hiking trails and itineraries featuring outlying islands, etc. The HKTB has also been promoting the city’s nature landscape to visitors, international media and overseas trade partners through various channels such as digital media, marketing promotions, public relations, visitor centres, hotlines and trade activities. Detailed marketing activities are as below:

- Targeting visitors and consumers:
To promote various hiking trails and outlying islands, as well as the guided activities and green tourism products of local travel agents and other organisations through different channels, such as digital media, hiking guidebooks, visitor centres and hotlines.
- Targeting overseas media:
To arrange overseas media and online celebrities to experience Hong Kong’s outlying islands and green attractions.
- Targeting overseas travel trade:
To encourage the overseas travel trade to include elements of green tourism in the itineraries of visitors, including Meetings, Incentive Travels, Conventions and Exhibitions visitors.

In 2015-16, the HKTB will continue the above-mentioned promotion work and include the element of green tourism in its promotion initiatives in source markets during key promotional windows. The total marketing budget of the HKTB, including that for promoting green tourism is \$352 million, of which around \$500,000 will be spent on the production of the “Hong Kong Great Outdoors” hiking guidebook. This free guidebook, which is available in hard copies for distribution to visitors and on HKTB’s website for downloading, aims at deepening visitors’ knowledge of Hong Kong’s natural landscape and hiking trails, and enriching their in-town experience.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)095

(Question Serial No. 0481)

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

Subhead (No. & title): (700) General non-recurrent

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise this Committee of the justifications for undertaking the “Consultancy on the Phase 2 Development of the Hong Kong Disneyland Resort”, item 835 under Subhead 700, as well as details of and estimated expenditure for the Study in 2015-16.

Asked by: Hon LEE Cheuk-yan (Member Question No. 12)

Reply:

The Government has commenced discussions on the Phase 2 development of the Hong Kong Disneyland Resort with The Walt Disney Company. The Government will engage a financial adviser through a tender exercise to provide support and expert advice to the Government during the discussions. This will facilitate the Government in considering the pros and cons of different financing options with a view to arriving at an option that maximises the Government's interest. The estimated expenditure of the relevant item in 2015-16 will be subject to the result of the tender exercise.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)096

(Question Serial No. 1860)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It was mentioned in Paragraph 15 of the Budget that an additional \$80 million would be allocated for HKTB to step up its promotion efforts in the coming year. These activities would include running overseas promotions, organising shopping festivals and offering merchandise concessions and electronic discount coupons in collaboration with the retail industry, and arranging large-scale familiarisation tours to Hong Kong for overseas trade missions. HKTB would expand the scale of overseas promotion fairs this year and waive local traders' participation fees. Please advise on the details of the publicity and promotion programmes, the respective estimated expenditure and the implementation dates.

Asked by: Hon LEE Wai-king, Starry (Member Question No. 20)

Reply:

The Government will provide an additional funding of \$80 million to the Hong Kong Tourism Board (HKTB) in 2015-16 for strengthening the image of Hong Kong as a premier tourist destination. The HKTB plans to use the additional funding for conducting a series of targeted promotions in major short-haul markets (such as Taiwan, South Korea and various Southeast Asian countries) from April to December 2015, including:

Activity	Estimated costs (\$)
Stepping up overseas media publicity and promotions	20 million
Organising promotion campaigns in two phases, including organising shopping festivals, offering merchandise concessions and electronic discount coupons for visitors in collaboration with the retail industry; advertising and publicising these promotions in the overseas markets	55 million
Arranging large-scale familiarisation tours for overseas travel trade	2.5 million
Expanding the scale of overseas promotion fairs this year and waiving local traders' participation fees	2.5 million

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)097

(Question Serial No. 3609)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (1) Please provide the number of overnight and same-day visitors from the following regions to Hong Kong since 2014 :
 - (a) Europe, Africa and Middle East
 - (b) Mainland China
 - (c) Americas
 - (d) Australia, New Zealand and South Pacific
 - (e) North Asia
 - (f) South Asia and South-east Asia
 - (g) Taiwan
 - (h) Macau/unidentified

- (2) Please provide the tourism value added of the Individual Visit Scheme since 2014, broken down by accommodation services, retail trade, air transport and water passenger transport services, food and beverage services, other tourism-related industries and all non-tourism related industries.

Asked by: Hon LEONG Kah-kit, Alan (Member Question No. 65)

Reply:

- (1) According to the statistics provided by the Hong Kong Tourism Board, the numbers of overnight and same-day visitor arrivals to Hong Kong categorized under major visitor source markets in 2014 are listed in the table below :

	Overnight visitors ('000)	Same-day visitors ('000)
Europe, Africa & the Middle East	1 572	646
Mainland China	19 077	28 171
The Americas	1 175	504
Australia, New Zealand & South Pacific	545	170
North Asia	1 531	799
South & Southeast Asia	2 735	880
Taiwan	807	1 225
Macao / not identified	329	673
Total	27 770	33 068

Note : Individual figures may not add up to the total due to rounding.

- (2) As the Census and Statistics Department has yet to release the key statistics for the tourism sector and the related business sectors in 2014, the direct impact of the Individual Visit Scheme on relevant tourism sectors in 2014 cannot yet be assessed.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)098

(Question Serial No. 3610)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide, in the following table, the total number of overnight and same-day Mainland visitors to Hong Kong under the Individual Visit Scheme (IVS) in 2014:

General Mainland Visitors to Hong Kong under the IVS		Mainland Visitors to Hong Kong travelling on Multiple-Entry Individual Visit Endorsements		Mainland Visitors to Hong Kong not travelling under the IVS		Mainland Visitors	
Number of Overnight Visitors	Number of Same-day Visitors	Number of Overnight Visitors	Number of Same-day Visitors	Number of Overnight Visitors	Number of Same-day Visitors	Number of Overnight Visitors	Number of Same-day Visitors

Asked by: Hon LEONG Kah-kit, Alan (Member Question No. 66)

Reply:

According to the statistics provided by the Hong Kong Tourism Board, the total number of overnight and same-day Mainland visitors to Hong Kong under the Individual Visit Scheme (IVS) in 2014 is set out in the table below:

General Mainland visitor arrivals under the IVS (excluding those travelling on multiple-entry endorsements) ('000)		Mainland visitor arrivals travelling on multiple-entry endorsements ('000)		Mainland visitor arrivals to Hong Kong not travelling under the IVS ('000)		Mainland visitor arrivals to Hong Kong ('000)	
16 480		14 850		15 910		47 250	
Number of overnight visitors	Number of same-day visitors	Number of overnight visitors	Number of same-day visitors	Number of overnight visitors	Number of same-day visitors	Number of overnight visitors	Number of same-day visitors
9 180	7 300	1 200	13 650	8 690	7 220	19 080	28 170

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)099

(Question Serial No. 3611)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please list, by using the measuring method for inbound tourism value added adopted in Census and Statistics Department's Tourism Satellite Account for Inbound Tourism of Hong Kong, the tourism value added of the accommodation services, retail trade, airborne and seaborne passenger transportation services, catering services, other tourism-related trades and all non-tourism trades respectively in 2014. Please also provide the percentage of the total value added in Hong Kong's annual Gross Domestic Product.

Asked by: Hon LEONG Kah-kit, Alan (Member Question No. 67)

Reply:

The latest figures under the Census and Statistics Department's (C&SD) Tourism Satellite Account for Inbound Tourism of Hong Kong are up to 2013 only. C&SD does not have the relevant figures for 2014 at this stage.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)100

(Question Serial No. 4256)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to the recommendations in respect of the Mega Events Fund as set out in Chapter 3 of Report No. 62 of the Director of Audit and the related report prepared by the Public Accounts Committee of the Legislative Council, has the Bureau followed up on the matter in 2014-15 or planned to do so in 2015-16? If yes, what are the details and the expenditures involved? If no, what are the reasons?

Asked by: Hon LEONG Kah-kit, Alan (Member Question No. 80)

Reply:

In the light of the recommendations of the Audit Commission and the Legislative Council Public Accounts Committee on the Mega Events Fund (MEF) operation, the Government reviewed the modus operandi for the MEF Tier-2 Scheme. A series of enhancement measures have been adopted to further improve the operation of the MEF, including:

- (a) requesting applicants to provide clearer description of the targets and deliverables in the applications for easier assessment and more effective cross-checking. In addition, applicants shall declare in writing any potential conflict of interest, in particular those involving monetary transactions, and disclose details of their management teams and any associates who will be actively involved in organizing the proposed events. Furthermore, applicants must also seek MEF Assessment Committee (AC)'s approval if they intend to stage any events of similar content or nature within a period of 6 months before and after the event date of the proposed event;

- (b) scoring guidelines have been drawn up for MEF AC's reference in assessing the applications. The weighting accorded to job creation in the scoring guidelines has been revised downwards, while job creation is no longer a key performance indicator in the revised standard MEF funding agreement;
- (c) a more robust mechanism to validate whether the deliverables and targets of MEF-supported events have been achieved as reported by the organizers has been put in place. For example, applicants are required to provide the basis for estimating the number of different types of attendees and the scientific methods to be adopted for counting the number of attendees in their applications;
- (d) applicants must provide their procurement and staff recruitment mechanisms in their applications in details, and establish a two-tier approval system to ensure that the procurement and staff recruitment processes will be conducted in accordance with the principles of openness, fairness, competitiveness and value for money; and
- (e) the Tourism Commission has started redeploying staff with accounting background to assist with the verification and cross-checking of post-event evaluation reports and final audit accounts.

The above mentioned measures are applicable to the fourth round applications under the Tier-2 Scheme which are being processed. The related expenditure is subsumed under the establishment of and provision for this Branch. It is difficult to quantify such expenditure separately.

On the other hand, starting from 2015-16, this branch will deploy 2 additional staff members with accounting / audit knowledge, including 1 Senior Treasury Accountant and 1 Accounting Officer I, to provide additional support for the internal financial control and operation of the funding schemes under this Branch's purview, including the MEF. The total salary provision for the 2 staff in 2015-16 is about \$1.9 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)101

(Question Serial No. 2897)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Would the Government please advise on the specific work plan for the negotiation of a Free Trade Agreement between Hong Kong and the Association of Southeast Asian Nations (ASEAN) in 2015-16? What are the manpower and amount involved?

Asked by: Hon LEUNG Kenneth (Member Question No. 5.01)

Reply:

The negotiation of the Free Trade Agreement (FTA) between Hong Kong and the Association of Southeast Asian Nations (ASEAN) commenced in July 2014. As at March 2015, a total of three rounds of negotiations were held with smooth progress. We will continue to actively pursue the negotiations in 2015-16 with a view to completing them by 2016.

The above work relating to FTA negotiations is part of the overall work on commercial relations. The relevant expenditure has been subsumed under the estimated expenditure for the overall work of the Commerce and Economic Development Bureau and the Trade and Industry Department. Hence it is difficult to account for the relevant manpower and financial resources separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)102

(Question Serial No. 2898)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As indicated under Matters Requiring Special Attention in 2015-16, the Government will continue to oversee discussions and negotiations with trading partners on enhancing economic co-operation. Would the Government please provide the following information: In 2015-16, what are the specific work plans for discussions on enhancing economic co-operation? What are the regions, countries or cities involved? What are the ranks of the officials taking part in the negotiations? What is the amount of money involved?

Asked by: Hon LEUNG Kenneth (Member Question No. 5.02)

Reply:

The government has been endeavouring to maintain and strengthen Hong Kong's commercial relations with its trading partners, as well as facilitate the trade in adjusting to changes in the economic environment of the Mainland and the world.

Our work in respect of enhancing economic cooperation in 2015-16 is as follows:

- (i) The Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA)
The HKSAR Government will continue to discuss with the Mainland authorities on further liberalisation under CEPA with a view to achieving the goal of basic liberalisation of trade in services between the Mainland and Hong Kong by the end of this year and facilitating the effective implementation of CEPA.
- (ii) Free Trade Agreements (FTA)
 In 2015-16, we will continue to actively pursue the FTA negotiation with the Association of Southeast Asian Nations (ASEAN), with a view to concluding the negotiations in 2016. Moreover, we are discussing with Macao on the scope of forging a Closer Economic Partnership arrangement. We hope to commence official

negotiations as soon as possible after the relevant preparatory work has been completed.

(iii) Investment Promotion and Protection Agreement (IPPA)

- We will launch the negotiation of an IPPA with the United Arab Emirates later this year, and will continue to negotiate an IPPA with Russia and an IPPA with Chile. Moreover, we have concluded negotiation of IPPAs with Bahrain and with Myanmar respectively, and will sign them subject to the completion of the necessary internal procedures.

(iv) Liaison with the emerging markets

We endeavour to enhance the economic and trade relations between Hong Kong and emerging markets (including India, the Middle East, Latin America and South Africa). Such work includes paying visits to each other by senior officials and discussions on economic and trade cooperation to foster mutual understanding and strengthen bilateral relations, with a view to exploring business opportunities for Hong Kong businesses.

(v) Regional Cooperation

We will continue to actively participate in regional economic cooperation fora, in particular the work of the Asia-Pacific Economic Cooperation and Pacific Economic Cooperation Council, discuss with other members the challenges brought about by the changes in the regional and global economic environment and the ways to address them, promote regional economic growth and integration and enhance the business environment in the region.

The above is part of the overall work on commercial relations. The ranks of officials involved in the relevant work range from Bureau Secretary to Assistant Trade Officer. The relevant expenditure has been subsumed under the estimated expenditure of the overall work of the Commerce and Economic Development Bureau and the Trade and Industry Department. It is therefore difficult to account for the relevant manpower and financial resources separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)103

(Question Serial No. 2899)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Budget Speech proposes that Hong Kong should strengthen its economic and trade ties with countries along the "One Belt One Road", and expand its co-operation with these countries. What is the specific work plan in this regard (including countries and cities involved, details of economic co-operation, and the form and details of any exchange visit) for the coming year?

Asked by: Hon LEUNG Kenneth (Member Question No. 5.03)

Reply:

The Central Government has put forward the initiatives of building "One Belt One Road", spanning different economic co-operation corridors in Asia, Europe and Africa. Many countries along the "One Belt One Road" have development potential. Hong Kong will strengthen trade ties with these markets, and develop trade facilitation and investment promotion to secure business opportunities in various aspects.

The Trade and Industry Department (TID) is actively negotiating a free trade agreement with the Association of Southeast Asian Nations (ASEAN) with a view to allowing Hong Kong's goods, services and investment gaining access to the ASEAN markets under more favourable conditions. We hope to conclude the negotiation next year so that Hong Kong's businessmen can reap the benefits at the earliest. Furthermore, we have concluded Investment Promotion and Protection Agreement (IPPA) negotiations with Bahrain and Myanmar, and will sign them upon completion of internal procedures by the parties concerned. TID will commence negotiation on an IPPA with the United Arab Emirates later this year and continue IPPA negotiation with Russia. Forging IPPAs helps enhance

the confidence of investors of relevant regions in investing in Hong Kong and strengthen the protection of Hong Kong businessmen's investments in such regions.

We have been endeavouring to strengthen economic and trade ties between Hong Kong and emerging markets. Invest Hong Kong (InvestHK) will partner with Guangzhou Municipal Commission of Commerce to organise an overseas investment promotion seminar in Dubai in March 2015. The Hong Kong Trade Development Council (HKTDC) organises large-scale international conferences in Hong Kong to explore business opportunities for different sectors arising from the "One Belt, One Road" initiative. Key events include:

- organised a workshop during the "Asian Financial Forum" and invited speakers to analyse the impact of "One Belt, One Road" on global economic development (January 2015); and
- to discuss "One Belt, One Road" initiative during the "Asian Logistics and Maritime Conference", and to invite Government, logistics and maritime industry representatives and users to share their insights about opportunities arising from the "One Belt, One Road" initiative (November 2015).

The HKTDC will also organise large-scale events in ASEAN, India and the Middle East. Major initiatives include:

- to launch a signature campaign "In Style · Hong Kong" in Jakarta to publicise Hong Kong as a lifestyle trendsetter and promote Hong Kong brands (September 2015);
- to explore collaboration with the Trade Development Bureau of the Ministry of Commerce of the People's Republic of China to stage a large-scale product promotion event in Dubai and New Delhi, and develop the "Hong Kong Product Expo" in Dubai into a signature event in the Middle East; and
- to organise an infrastructure and real estate services mission to help Hong Kong service providers and Mainland developers explore opportunities arising from the urbanisation trend in ASEAN countries such as Thailand and Myanmar (July 2015).

The above-mentioned work is part of the overall work of commercial relations and the relevant expenditure has been subsumed under the estimated expenditure of the Commerce and Economic Development Bureau (CEDB), TID, InvestHK and the HKTDC. It is difficult to account for the relevant manpower and financial resources separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)104

(Question Serial No. 2920)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry, (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Regarding environmental protection exhibitions held in Hong Kong, please provide relevant information in the past five years in the table below.

Year	Plans/projects	Specific work	Indicators	No. of local exhibitors	No. of overseas exhibitors	Posts of staff involved; if consultancy companies were hired, please also provide relevant information	Expenditure	No. of local exhibitors' deals	Products/ technologies involved in local exhibitors' deals

2. Regarding work in support of Hong Kong's environmental protection trade to take part in overseas economic and trade studies, please provide relevant information in the past five years in the table below.

Year	Destinations	Specific work	Indicators	Government departments and public bodies taking part, and host organisations	Posts of staff involved; if consultancy companies were hired, please also provide relevant information	Expenditure	Details of follow-up work upon the completion of the studies

3. Does the Government have other policies to support start-up companies and small and medium enterprises (SMEs) related to environmental protection so as to promote the development of green industries? If yes, what are the policy objectives, initiatives, performance indicators, expenditure and manpower involved, and time table? If no, what are the reasons?

Asked by: Hon LEUNG Kenneth (Member Question No. 4.28)

Reply:

- (1) Information on environmental protection exhibitions held in Hong Kong in the past 5 years is at Appendix I.
- (2) Information on work in support of Hong Kong's environmental protection trade to take part in overseas economic and trade studies in the past five years is at Appendix II.
- (3) The Government would continue to assist the SMEs, including those in the environmental protection industry, in obtaining finance, exploring markets and enhancing the overall competitiveness through the existing cross-sector schemes, including the SME funding schemes under the Trade and Industry Department (namely the SME Loan Guarantee Scheme, the SME Export Marketing Fund and the SME Development Fund), the Dedicated Fund on Branding, Upgrading and Domestic Sales and the time-limited special concessionary measures under the SME Financing Guarantee Scheme.

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

- End -

Information on environmental protection exhibitions held in Hong Kong in the past five years

Year	Plans/ projects	Specific work	Indicators	No. of local exhibitors	No. of overseas exhibitors	Posts of staff involved; if consultancy companies were hired, please also provide relevant information	Expenditure	No. of local exhibitors' deals	Products/ technologies involved in local exhibitors' deals
2010-11	“Eco Expo Asia” organised by the Hong Kong Trade Develop- ment Council (HKTDC) and Messe Frankfurt (HK) Ltd.	An international trading platform showcasing innovative environment- al protection products and services around the world.	The HKTDC collects feedback from exhibitors and visitors on the exhibition upon its completion.	130	136	Since one of the organisers is a private company, information on overall expenditure and staff deployment cannot be provided.		The organisers do not have relevant information.	Major exhibit categories include air and water quality, eco-friendly product, energy efficiency, green building as well as waste management and recycling.
2011-12				122	147				
2012-13				159	112				
2013-14				180	117				
2014-15				169	139				

Information on work in support of Hong Kong's environmental protection trade to take part in overseas economic and trade studies in the past five years

Year	Destinations	Specific work	Indicators	Government departments and public bodies taking part, and host organisations	Posts of staff involved; if consultancy companies were hired, please also provide relevant information	Expenditure	Details of follow-up work upon the completion of the studies
2010-11	(1) San Diego, Los Angeles and Washington, US (2) Tokyo and Osaka, Japan (3) Kawasaki, Japan	The HKTDC organises trade missions, business matchings or networking events to support Hong Kong eco industry to expand overseas markets.	In general, the HKTDC collects feedback from participants after the event.	In general, the HKTDC arranges meetings with Government officials and industry leaders, and arranges visits to relevant companies or organisations.	The events are part of the work covered under Programme (3) to be carried out by HKTDC's existing staff. We do not have separate breakdown of staff establishment and expenditure for individual events.		In general, the HKTDC would follow up in about three to six months after the event and publicise success stories as appropriate.
2011-12	Kawasaki, Japan						
2012-13	Kawasaki, Japan						
2013-14	Kawasaki, Japan						
2014-15	(1) Tokyo, Japan (2) Kyushu, Japan						

CONTROLLING OFFICER'S REPLY

CEDB(CIT)105

(Question Serial No. 0368)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Within the budget for 2015-16, how will the Government:

1. prepare for the implementation of the “original grant” patent system in Hong Kong;
2. enhance the development of Hong Kong as a premier intellectual property trading hub in the region; and
3. assist the trade to understand and cope with challenges arising from the Mainland’s new policies and policy adjustments on processing trade?

Asked by: Hon LEUNG Kwan-yuen, Andrew (Member Question No. 5)

Reply:

1. In February 2013, having endorsed the strategic recommendations put forward by the Advisory Committee on Review of the Patent System in Hong Kong in its report, the Government announced the way forward for the patent system, which included establishing the “original grant” patent (OGP) system, refining the short-term patent system and developing a regulatory regime for patent practitioners in the long run. Thereafter, we have been following up with the implementation work, including the following tasks –

- (i) studying the patent systems, practices and procedures generally established in the international community;

- (ii) engaging a consultant to study important legislative and technical issues in the course of formulating the framework of the OGP system;
- (iii) discussing with the State Intellectual Property Office (SIPO) on matters relating to substantive examination of patent applications and training of personnel. In December 2013, the Intellectual Property Department and SIPO signed the Co-operation Arrangement in the Area of Patent, under which SIPO would render technical assistance and support in these aspects;
- (iv) researching into and drafting the legislative proposals to amend the Patents Ordinance; and
- (v) planning the electronic system in support.

We are now drawing up the legislative proposals for amending the Patents Ordinance (“the Ordinance”). Subject to the progress of the drafting and other preparatory work, we expect that an amendment bill would be introduced into the Legislative Council in the first half of this year.

The OGP system has far-reaching implications for enhancing Hong Kong’s protection regime for intellectual property rights and for promoting Hong Kong as a regional hub for innovation, technology and IP trading. We need to deal with the above issues carefully and maintain good communication with the stakeholders along the way. Subject to the progress of the implementation work and preparation of the legislation, we plan to launch the OGP system in 2016-17 at the earliest.

2. The Working Group promulgated a strategic framework (Framework) for forging ahead the development of IP trading. The Framework covers four strategic areas, namely enhancing the IP protection regime; supporting IP creation and exploitation; fostering IP intermediary services and manpower capacity; and pursuing promotion, education and external collaboration efforts.

In line with the deliberations and advice of the Working Group, various actions have been underway. We will specifically set aside \$23 million in the coming three years to support a number of new initiatives, for example -

- (i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to SMEs, having regard to the result of a pilot scheme;
- (ii) organising and sponsoring IP manpower training;
- (iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and
- (iv) launching of promotion and public education campaigns.

3. In 2015-16, the Commerce, Industry and Tourism Branch will continue to assist the trade to adjust to changes in the Mainland’s policy on processing trade through the following work:

- maintaining close dialogue with the trade through various channels, so as to understand the trade's concerns and views; and maintaining close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to relay to them the trade's views and to discuss with them support measures for the trade;
- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities such as symposiums and seminars through the Trade and Industry Department (TID) and our Mainland Offices to enhance the trade's understanding of the Mainland's new policies, legislation and business environment. TID's website includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland;
- organising promotional activities and trade fairs and organising delegations to visit the Mainland through the Hong Kong Trade Development Council (HKTDC), with a view to enhancing the trade's understanding of Mainland policies and market development;
- providing Hong Kong enterprises with support services on technological upgrading, management improvement, branding and market development, etc., and Mainland market information through the HKTDC and the Hong Kong Productivity Council, etc.;
- with regard to financial support, assisting small and medium enterprises (SMEs) through the on-going "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, business restructuring and relocation;
- continuing to implement the Dedicated Fund on Branding, Upgrading and Domestic Sales launched on 25 June 2012 to provide funding support to individual enterprises and non-profit-making organisations, so as to assist enterprises in enhancing their competitiveness and facilitating their business development in the Mainland and capturing the opportunities arising from the National 12th Five-year Plan;
- arranging our Mainland Offices to collaborate with trade associations and other organisations to organise "Hong Kong Week" promotional events in the Mainland in order to promote Hong Kong products and services, with a view to assisting Hong Kong enterprises in building up their brand image and exploring the domestic market; and
- providing platforms for Hong Kong enterprises, particularly SMEs, to showcase their products and build up greater awareness of Hong Kong brands in the Mainland through the expansion of the network of Design Gallery shops in the Mainland by the HKTDC.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)106

(Question Serial No. 2154)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary stated in the Budget Speech that the Government would consider introducing Food Trucks, which is popular abroad, to the mix of Hong Kong's existing food scene. Please advise on the following:

- (1) What are the provision and manpower required for the study concerned?
- (2) Which bureau will be responsible for conducting the study?
- (3) When will the study report be published?

Asked by: Hon LEUNG Kwan-yuen, Andrew (Member Question No. 19)

Reply:

1-3 Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation, food safety and environmental hygiene, etc. with a view to bringing in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea, Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required.

Relevant bureaux and departments will conduct the above study with existing resources. No additional expenses and manpower will be incurred.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)107

(Question Serial No. 2161)

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

Subhead (No. & title): (000) Operational expenses

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise this Committee of the estimated expenditure on the following items in 2015-16 by providing detailed information in table form, including the staffing establishment, rank, salary and related allowances as well as personnel related expenses of the directorate civil servants:

- Office of the Secretary for Commerce and Economic Development
- Commerce, Industry and Tourism Branch (CITB)
- Administration Division, CITB
- Divisions 1 to 5, CITB
- SD Division
- Trade Officer Grade Management
- Tourism Commission

Asked by: Hon LEUNG Kwok-hung (Member Question No. 503)

Reply:

Details of the directorate civil service posts under the establishment of this Branch in 2015-16 are listed below:

	No of Directorate Posts	Relevant Grades	Total Expenditure on Personal Emoluments⁽¹⁾ (\$'000)	Total Expenditure on Personnel Related Expenses⁽²⁾ (\$'000)
Director of Bureau's Office	1	Administrative Officer	1,843	—
Commerce, Industry and Tourism Branch (including the Administration Division, Divisions 1 to 5 and Special Duties Division under its purview)	11	Administrative Officer and Executive Officer	21,454	—
Tourism Commission	7	Administrative Officer and Executive Officer	13,565	186

Note:

- (1) Total expenditure on personal emoluments includes salaries, allowances and job-related allowances (where appropriate).
- (2) Total expenditure on personnel related expenses includes Mandatory Provident Fund contribution, Civil Service Provident Fund contribution and Disturbance allowance (where appropriate).

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)108

(Question Serial No. 3204)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (1) It is stated in the Budget speech that a convention centre above the Exhibition Station of the Shatin to Central Link will be constructed. What are the manpower and expenditure involved in its planning and design?
- (2) Regarding the construction of a convention centre above the Exhibition Station, have feasibility study, environmental impact assessment, traffic impact assessment and quantitative impact assessment been conducted? If yes, what is the expenditure involved?
- (3) What will be the mode of operation for the convention centre above the Exhibition Station upon its completion? If the management, maintenance, operational and other related expenses are to be borne by the Government, what will be the expenditure involved?

Asked by: Hon LEUNG Kwok-hung (Member Question No. 543)

Reply:

In order to facilitate the long term development of the convention industry in Hong Kong, the Government will consider constructing a new convention centre above the Exhibition Station of the Shatin to Central Link upon the latter's completion around 2020, and has invited the Hong Kong Trade Development Council (HKTDC) to proceed with planning, including detailed design and relevant technical assessments, e.g. traffic impact assessment and environmental assessment. Relevant costs arising from the planning for the new convention centre will be borne by the HKTDC. We will further consider the future management and operation arrangements for the centre after the HKTDC has completed the planning.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)109

(Question Serial No. 0318)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraphs 62 to 65 of the Budget Speech, Hong Kong should expand co-operation and organise exchange visits with countries along the “One Belt One Road” to gain a deeper understanding of these countries, as well as pursue negotiations on Free Trade Agreements, Investment Promotion and Protection Agreements, and work with Mainland provinces and municipalities to stage roadshows in these countries to facilitate trade and investment flows. Please list out the estimated expenditure involved and details of the expenditure items.

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 2)

Reply:

The Central Government has put forward the initiatives of building “One Belt One Road”, spanning different economic co-operation corridors in Asia, Europe and Africa. Many countries along the “One Belt One Road” have development potential. Hong Kong will strengthen trade ties with these markets, and develop trade facilitation and investment promotion to secure business opportunities in various aspects.

The Trade and Industry Department (TID) is actively negotiating a free trade agreement with the Association of Southeast Asian Nations (ASEAN) with a view to allowing Hong Kong's goods, services and investment gaining access to the ASEAN markets under more favourable conditions. We hope to conclude the negotiation next year so that Hong Kong's businessmen can reap the benefits at the earliest. Furthermore, we have concluded Investment Promotion and Protection Agreement (IPPA) negotiations with Bahrain and Myanmar, and will sign them upon completion of internal procedures by the parties concerned. TID will commence negotiation on an IPPA with the United Arab Emirates later this year and continue IPPA negotiation with Russia. Forging IPPAs helps enhance

the confidence of investors of relevant regions in investing in Hong Kong and strengthen the protection of Hong Kong businessmen's investments in such regions.

We have been endeavouring to strengthen economic and trade ties between Hong Kong and emerging markets. Invest Hong Kong (InvestHK) will partner with Guangzhou Municipal Commission of Commerce to organise an overseas investment promotion seminar in Dubai in March 2015. The Hong Kong Trade Development Council (HKTDC) organises large-scale international conferences in Hong Kong to explore business opportunities for different sectors arising from the "One Belt, One Road" initiative. Key events include:

- organised a workshop during the "Asian Financial Forum" and invited speakers to analyse the impact of "One Belt, One Road" on global economic development (January 2015); and
- to discuss "One Belt, One Road" initiative during the "Asian Logistics and Maritime Conference", and to invite Government, logistics and maritime industry representatives and users to share their insights about opportunities arising from the "One Belt, One Road" initiative (November 2015).

The HKTDC will also organise large-scale events in ASEAN, India and the Middle East. Major initiatives include:

- to launch a signature campaign "In Style · Hong Kong" in Jakarta to publicise Hong Kong as a lifestyle trendsetter and promote Hong Kong brands (September 2015);
- to explore collaboration with the Trade Development Bureau of the Ministry of Commerce of the People's Republic of China to stage a large-scale product promotion event in Dubai and New Delhi, and develop the "Hong Kong Product Expo" in Dubai into a signature event in the Middle East; and
- to organise an infrastructure and real estate services mission to help Hong Kong service providers and Mainland developers explore opportunities arising from the urbanisation trend in ASEAN countries such as Thailand and Myanmar (July 2015).

The above-mentioned work is part of the overall work of commercial relations and the relevant expenditure has been subsumed under the estimated expenditure of the Commerce and Economic Development Bureau (CEDB), TID, InvestHK and the HKTDC. It is difficult to account for the relevant manpower and financial resources separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)110

(Question Serial No. 0357)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In view of the ever-rising cost of doing business in Hong Kong, and the fact that the SAR Government only put forward 4 measures to support small and medium enterprises (SMEs) in the Budget in 2015-16, will the Bureau allocate additional financial resources for reviewing the existing funding and loan schemes for SMEs in order to provide SMEs with further appropriate support? If yes, what is the estimated expenditure? If not, what are the reasons?

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 39)

Reply:

The Government attaches great importance to the development of SMEs. We review the various support measures from time to time in order to provide adequate and timely support to SMEs.

The 2015-16 Budget announced that the Government will implement the following measures to support SMEs:

- (1) The Hong Kong Mortgage Corporation Limited (HKMC) launched the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) on 31 May 2012 to provide 80% loan guarantees at concessionary fee rates. The Government provides a total loan guarantee commitment of \$100 billion. The special concessionary measures are time-limited special measures. The original application period was 9 months, which was later extended twice to the end of February 2015. In the light of the current uncertain external economic environment, the Government has

further extended the application period of the special concessionary measures for one more year up to the end of February 2016 to continue to assist enterprises in obtaining loans in the commercial lending market. The extension of the application period does not involve additional government resources.

- (2) The three existing SME funding schemes under the Trade and Industry Department, namely the SME Loan Guarantee Scheme (SGS), the SME Export Marketing Fund (EMF) and the SME Development Fund (SDF), assist SMEs in obtaining finance, exploring markets and enhancing the overall competitiveness. The Government proposed to inject \$1.5 billion into the SME Export Marketing and Development Funds, increase the maximum amount of funding support for each project under the SDF from \$2 million to \$5 million and to expand the scope of the EMF to strengthen the support for SMEs. We will consult the Small and Medium Enterprises Committee and the Legislative Council Panel on Commerce and Industry on the proposals, before seeking funding approval from the Finance Committee.

Provision for the SME funding schemes is under Programme (3) Support for Small and Medium Enterprises and Industries of Head 181 Trade and Industry Department. In 2015, it is estimated that a total of around \$1.14 billion loan guarantees would be issued under the SGS, and grants of around \$220 million and \$18.0 million would be approved under the EMF and the SDF respectively.

- (3) On the intellectual property (IP) front, following the recommendations of the Working Group on IP Trading, the Government would set aside \$23 million in the coming three years and work with the IP sector to launch a series of new initiatives, including the provision of free consultation services to raise the IP awareness of SMEs and help them properly protect, manage and make good use of IP with a view to driving business growth. The Intellectual Property Department (IPD) would also launch an IP Manager Scheme, which seeks to support SMEs in building up their manpower capacity on IP management and commercialisation.

In addition, we will also continue to implement the following measures to support SMEs –

- (1) The \$1 billion Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012 to provide funding support to Hong Kong enterprises and non-profit-distributing organisations to assist enterprises in enhancing their competitiveness and furthering their business development in the Mainland. Provision for the BUD Fund is under Programme (3) Support for Small and Medium Enterprises and Industries of Head 181 Trade and Industry Department. The estimated expenditure in 2015-16 is \$98.6 million.
- (2) The Hong Kong Trade Development Council (HKTDC) has been actively expanding its Design Gallery networks in the Mainland to provide platforms for Hong Kong enterprises, particularly SMEs, to showcase their products and build up greater awareness of Hong Kong brands in the Mainland. HKTDC has opened Design Gallery shops in Beijing, Guangzhou, Qingdao, Shanghai and Chengdu. In addition, HKTDC has collaborated with department stores in the Mainland to open a series of Design Gallery “shops-in-shop” inside the stores. To date, HKTDC has set up a

total of 15 “shops-in-shop” in various Mainland cities, including Beijing(4), Wuhan(3), Shanghai(2), Guangzhou(1), Chengdu(1), Chongqing(1), Harbin(1), Shenyang(1) and Xi’an(1). As regards electronic platform, HKTDC has co-operated with Taobao.com since 2010 to set up a business to customer shop. Since March 2014, HKTDC has also set up a new online shop on JD.com, the second largest online shopping platform in the Mainland, to help Hong Kong enterprises expand domestic sales. In 2015-16, HKTDC would continue with the above work with an estimated expenditure of \$105 million.

- (3) The Retail Technology Adoption Assistance Scheme for Manpower Demand Management was launched in December 2014 to support the retail industry (in particular SMEs) to adopt technologies for enhancing their productivity, managing the manpower demands and improving work conditions. The funding of \$50 million is expected to support about 1 000 SMEs. The estimated expenditure in 2015-16 depends on the number of applications.
- (4) The Hong Kong Export Credit Insurance Corporation (ECIC) has launched a "Small Business Policy" (SBP) scheme for Hong Kong enterprises with an annual business turnover of less than \$50 million since 1 March 2013, providing exporters with more flexibility in taking out insurance cover. This measure is implemented within the ECIC’s overall budget, and does not involve additional government resources.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)111

(Question Serial No. 0359)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2015-16, the Commerce, Industry and Tourism Branch will have discussions with major trading partners like the Mainland, Taiwan, and ASEAN on enhancing economic co-operation to strengthen efforts to promote the business advantages of Hong Kong as well as to attract more multinational companies to set up operations and regional headquarters in Hong Kong. Please advise this Committee on the total expenditure involved in the relevant work in the past 3 years and the overall effectiveness. How much provision will be made for the above work in the coming year? Which regions, does the Bureau have in mind, are of greater development potential and will be targeted for strengthening promotion and publicity efforts? Please advise on the figures and work progress in respect of each region in table form.

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 41)

Reply:

The actual expenditure incurred in 2012-13 and 2013-14 and the estimated actual expenditure incurred in 2014-15 for investment promotion activities in the Mainland, Taiwan and the Association of Southeast Asian Nations (ASEAN) markets conducted by Invest Hong Kong (InvestHK) under the Commerce, Industry & Tourism Branch are as follows:

Market	Actual Expenditure in 2012-13 (HK\$ million)	Actual Expenditure in 2013-14 (HK\$ million)	Estimated Actual Expenditure in 2014-15 (HK\$ million)
Mainland	5.5	6	6
Taiwan	1	1	1
ASEAN	0.8	0.6	0.7
Total	7.3	7.6	7.7

These figures above do not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

Our investment promotion efforts were effective in enhancing the understanding of companies in those regions about Hong Kong's investment environment and the advantages of investing in Hong Kong. Our efforts generated a total of 208, 23 and 34 completed projects from the Mainland, Taiwan and ASEAN respectively in the past three years, accounting for 26.3% of the department's total. The breakdown of the number of investment projects from the Mainland, Taiwan and ASEAN completed in the past three years and the target for 2015 are as follows:

Market \ Year	Number of completed investment projects			
	2012	2013	2014	2015 (target)
Mainland	62	71	75	76
Taiwan	8	7	8	11
ASEAN	11	8	15	16

In 2015-16, InvestHK will conduct marketing campaigns, seminars and investment promotion visits to attract and assist more companies from the Mainland, Taiwan and ASEAN to set up or expand their business operations in Hong Kong. For the Mainland market, InvestHK will continue to strengthen collaboration with the Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to go global and expand their business overseas, targeting high-growth cities such as Hefei, Shanghai, Nanjing, Nanning, Jinan and Qinhuangdao.

As regards the Taiwan market, InvestHK will continue to reach out to a wide spectrum of companies to provide them with necessary support in setting up or expanding their operations in Hong Kong. InvestHK will strengthen its partnership with the Taiwan business community, organise seminars and conduct investment promotion visits in various cities in Taiwan, with the support of its Investment Promotion Unit in the Hong Kong Economic, Trade and Cultural Office in Taiwan. InvestHK will also maintain close liaison with the Taiwan business community in Hong Kong and offer aftercare services to facilitate the expansion of their business.

For the ASEAN markets, InvestHK will strengthen its promotion efforts in 2015-16 through conducting investment promotion visits in target markets, including Singapore, Thailand, Indonesia, Malaysia and the Philippines to underline Hong Kong's business advantages and to attract more companies to set up business in Hong Kong. InvestHK will also organise other investment promotion events, including local networking receptions for companies, consulates and chambers of commerce from the target ASEAN markets.

The estimated expenditure in 2015-16 for conducting investment promotion activities in the Mainland, Taiwan and ASEAN markets is as follows:

Market	Estimated Expenditure in 2015-16 (HK\$ million)
Mainland	5.4
Taiwan	1
ASEAN	0.7
Total	7.1

These figures do not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)112

(Question Serial No. 0360)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The 2015-16 estimated provision for commerce and industry is \$244.2 million, representing an increase of 35.5% (which is substantially higher than the 12.6% increase in 2014-15 provision). In what areas of work will the increased provision be used? What are the respective estimated expenditure and details of those areas of work?

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 42)

Reply:

Provision for 2015-16 is \$64.0 million (35.5%) higher than the revised estimate for 2014-15. This is mainly due to the increased cash flow requirement for the Measures for Manpower Development of Retail Industry, increased provision for supporting the promotion of intellectual property trading, continued need to support the Economic Development Commission, and the increased estimate for the subscription to the World Trade Organization. The total estimated expenditure of the above mentioned areas of work in 2015-16 is \$116.2 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)113

(Question Serial No. 0361)

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

Subhead (No. & title): (-) -

Programme: (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As indicated in Matters Requiring Special Attention in 2015-16 under this Programme, the Hong Kong Trade Development Council will, among others, enhance the competitiveness of Hong Kong SMEs and start-ups in the digital era by assisting Hong Kong SMEs and start-ups to capture business opportunities arising from the e-tailing trend; help SMEs identify alternative production bases; and strengthen engagement with the general public and major stakeholders leveraging social media. Would the Bureau provide details of the specific plans? What are the estimated provisions, staff establishment and expected results for the next 3 years?

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 43)

Reply:

Small and medium enterprises (SMEs) have all along been the focus of the services of the Hong Kong Trade Development Council (HKTDC). The HKTDC also endeavours to enhance the competitiveness of Hong Kong SMEs and start-ups in the digital era. In 2015-16, the HKTDC will pursue the following work:

(1) Assist Hong Kong SMEs and start-ups to capture business opportunities arising from the e-tailing trend

- to invite internationally renowned e-tailers and online shopping channels to visit trade fairs organised by the HKTDC and connect them with Hong Kong SMEs and start-ups;

- to explore setting up different theme-based online “Design Gallery” (DG) shops in collaboration with major Mainland e-tailing platforms such as Tmall.com and jd.com;
- to organise a series of seminars and workshops to keep Hong Kong SMEs abreast of the global e-tailing trend as well as tips for attracting online transactions; and
- to partner with industry gurus such as Google and Paypal to organise workshops on topics such as online security and e-marketing.

(2) Develop a comprehensive programme to cultivate entrepreneurial spirit and nurture the growth of SMEs and start-ups

- to launch an ICT Start-up Zone in “Entrepreneur Day” to connect start-ups with potential investors, and develop “Entrepreneur Day” into a platform for new start-ups;
- to enhance the “SME and Start-up Portal” and develop it into an interactive platform for Hong Kong and overseas SMEs;
- to develop the “Franchising Hall” at “World SME Expo” into a standalone fair in 2015;
- to introduce economy booths and showcases at more than 25 HKTDC fairs to attract start-ups’ participation; and
- to devise affordable promotion packages to encourage start-ups’ participation in the “Small-Order Zone” of HKTDC trade fairs and on “hktdc.com” to promote their products.

(3) Help SMEs identify alternative production bases

- to organise production relocation missions to Myanmar and explore the possibility of South Asian countries such as India as alternative production bases;
- to organise study missions to Zhongshan, Zhuhai, Jiangmen and Yangjiang to evaluate their suitability as production bases; and
- to strengthen market intelligence on relocation of production bases and disseminate the information to Hong Kong manufacturers for reference.

(4) Strengthen engagement with the general public and major stakeholders leveraging social media and mobility trend

- to leverage different media including Twitter, Youtube, Facebook, Weibo and WeChat, etc. to promote HKTDC activities;
- to engage bloggers at HKTDC activities;
- to leverage Weibo to disseminate market intelligence and highlights of speakers at flagship events such as “Asian Financial Forum” and “Business of Intellectual Property Asia Forum”;
- to enrich the content of HKTDC online “Media Room” and provide media partners with news materials, SME success stories and multi-media content, etc.;
- to launch an online “Hong Kong Means Business” vehicle to disseminate business information and enhance customer engagement;

- to launch a mobile version of “hktdc.com” and “HKTDC Research Portal” to facilitate users to access business intelligence and details of promotion events through different mobile devices;
- to enhance the functions of “HKTDC Appgazine” to facilitate global buyers to conduct mobile sourcing;
- to introduce a mobile version of online DG targeting the needs of Mainland users; and
- to launch a mobile version of the “SME and Start-up Portal” dedicated to SMEs and start-ups.

The above are part of the work covered under Programme (3) to be carried out by the HKTDC’s existing staff. We do not have separate breakdown of staff establishment and expenditure for each of them. The HKTDC expects that these promotional activities will help more SMEs enhance their competitiveness and grasp the opportunities arising from the e-tailing trend.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)114****(Question Serial No. 0362)**

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under "Matters Requiring Special Attention in 2015-16", the Commerce, Industry and Tourism Branch undertakes to continue to maintain close communication and co-operation with the Mainland, Taiwan and the Association of Southeast Asian Nations (ASEAN) on trade and investment issues to promote the business advantages of Hong Kong. What were the recurrent and non-recurrent expenditure incurred for the above task in the past 3 financial years? Will there be an increase in expenditure to strengthen such efforts in the new financial year (2015-16)? Which areas will be targeted with enhanced promotion? Please provide a breakdown of the expenditure to be incurred for the various areas.

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 44)

Reply:

The actual expenditure incurred in 2012-13 and 2013-14 and the estimated actual expenditure incurred in 2014-15 for investment promotion activities in the Mainland, Taiwan and the Association of Southeast Asian Nations (ASEAN) markets conducted by Invest Hong Kong (InvestHK) under the Commerce, Industry and Tourism Branch are as follows:

Market	Actual Expenditure in 2012-13 (HK\$ million)	Actual Expenditure in 2013-14 (HK\$ million)	Estimated Actual Expenditure in 2014-15 (HK\$ million)
Mainland	5.5	6	6
Taiwan	1	1	1
ASEAN	0.8	0.6	0.7
Total	7.3	7.6	7.7

These figures above do not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

In 2015-16, InvestHK will conduct marketing campaigns, seminars and investment promotion visits to attract and assist more companies from the Mainland, Taiwan and ASEAN to set up or expand their business operations in Hong Kong. For the Mainland market, InvestHK will continue to strengthen collaboration with the Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to go global and expand their business overseas, targeting high-growth cities such as Hefei, Shanghai, Nanjing, Nanning, Jinan and Qinhuangdao.

As regards the Taiwan market, InvestHK will continue to reach out to a wide spectrum of companies to provide them with necessary support in setting up or expanding their operations in Hong Kong. InvestHK will strengthen its partnership with the Taiwan business community, organise seminars and conduct investment promotion visits in various cities in Taiwan, with the support of its Investment Promotion Unit in the Hong Kong Economic, Trade and Cultural Office in Taiwan. InvestHK will also maintain close liaison with the Taiwan business community in Hong Kong and offer aftercare services to facilitate the expansion of their business.

For the ASEAN markets, InvestHK will strengthen its promotion efforts in 2015-16 through conducting investment promotion visits in target markets, including Singapore, Thailand, Indonesia, Malaysia and the Philippines, to underline Hong Kong's business advantages and to attract more companies in setting up business in Hong Kong. InvestHK will also organise other investment promotion events, including local networking receptions for companies, consulates and chambers of commerce from the target ASEAN markets.

The estimated expenditure in 2015-16 for conducting investment promotion activities in the Mainland, Taiwan and ASEAN markets is as follows:

Market	Estimated Expenditure in 2015-16 (HK\$ million)
Mainland	5.4
Taiwan	1
ASEAN	0.7
Total	7.1

These figures do not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)115

(Question Serial No. 0363)

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

Subhead (No. & title): (-) -

Programme: (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What were the Government's subvention to the Hong Kong Trade Development Council (HKTDC) each year, the total expenditure, the total non-recurrent expenditure and reserve level of the HKTDC each year over the past three years (i.e. 2012-2013, 2013-2014 and 2014-2015)?

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 45)

Reply:

The amount of Government subvention to the Hong Kong Trade Development Council (HKTDC) as well as the HKTDC's total expenditure and reserve level in the past three financial years (i.e. from 2012-13 to 2014-15) are listed below:-

	Financial Year (\$ million)		
	2012-13	2013-14	2014-15
Government Subvention to HKTDC	384	390	393
HKTDC's			
- Total Expenditure #	2,427	2,739	2,676*
- Reserve Level	1,120	1,122	1,122*

Note : * are the estimated figures.

HKTDC's expenditures include financial cost, but there is no breakdown into recurrent or non-recurrent expenditure.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)116

(Question Serial No. 1091)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce and Economic Development Bureau has indicated that it will continue to work with the Trade and Industry Department and the Hong Kong Productivity Council to implement the \$1 billion Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund). In this connection, please advise of the following:

1. The number and percentage of applications approved as well as the highest, lowest and average amounts of grant approved under the Organisation Support Programme and the Enterprise Support Programme of the Bud Fund respectively since its launch.
2. For the rejected applications, has the Government tried to find out the major difficulties or obstacles encountered? If yes, what are the details? If not, what are the reasons?
3. Has the Government set any specific indicator and schedule for reviewing the effectiveness of the BUD Fund, with a view to rolling out enhancement measures? If yes, what are the details? If not, what are the reasons?

Asked by: Hon LO Wai-kwok (Member Question No. 19)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012. The vetting results as at the end of December 2014 are as follows -

	Enterprise Support Programme	Organisation Support Programme
Applications processed (excluding all applications withdrawn)	890	103
Number of applications approved	267 (Excluding 19 applications that were granted conditional approval. The final approval of such applications and the amount of grants will be subject to further information submitted by the applicants.)	44
Total approved funding	Around \$119 million	Around \$143 million
Success rate	32.1% (including applications approved and applications granted conditional approval)	42.7%
Highest amount of funding	\$500,000	\$5 million
Lowest amount of funding	\$15,000	\$720,720
Average amount of funding	Around \$450,000	Around \$3.3 million
Number of applications rejected	604	59
Number of completed projects	24	9

For the Enterprise Support Programme (ESP), the main reasons of rejection included: the applicant enterprise failed to meet the eligibility criteria (e.g. sufficient information could not be provided to demonstrate that it has substantive business operations in Hong Kong); the holistic business plan/project details provided were too broad-brush and lacked clarity; the implementation plan lacked sufficient concrete details to show how the project would be effectively implemented; the proposed measures in the project could not effectively assist the applicant enterprise in enhancing its competitiveness and furthering its business development in the Mainland; the budget of the project deviated from the funding rules; and the applicant enterprise could not demonstrate that it has sufficient capability to implement the project, etc. The Hong Kong Productivity Council, as the secretariat of the ESP, would inform the applicant enterprises concerned of the rejection reasons and remind them of areas they should pay attention to when re-submitting the applications so as to facilitate them to improve the content of their applications.

Regarding the Organisation Support Programme (OSP), the main reasons of rejection included: the project details provided by the applicant organisation lacked clarity or could not meet the objective of the BUD Fund; the implementation plan lacked sufficient concrete details; the budget of the project deviated from the funding rules; and the applicant organisation could not demonstrate that it has sufficient capability to implement the project, etc. The Trade and Industry Department, as the secretariat of the OSP, would inform the applicant organisations concerned of the rejection reasons. If the applicant organisations intend to re-submit their applications, the secretariat will meet with them if needed in order to explain the areas in the applications which require improvements.

The BUD Fund aims at providing funding support to individual enterprises and non-profit-distributing organisations in Hong Kong, so as to assist enterprises in enhancing their competitiveness and facilitating their business development in the Mainland. Most of the projects are still in progress. We will continue to closely monitor the operation of the BUD Fund and assess its effectiveness in due course.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)117

(Question Serial No. 1092)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The work of the Commerce and Economic Development Bureau includes maintaining close liaison with the Mainland authorities and assisting the trade to understand and cope with challenges arising from Mainland's new policies and policy adjustments on processing trade. In this connection, please advise on the following:

- (a) the specific measures implemented by the Bureau and whether assessment was made to evaluate their effectiveness in the past 3 years. If yes, what are the details; if not, what are the reasons?
- (b) some of the Hong Kong businesses operating on the Mainland intend to move their core businesses back to Hong Kong and hope that the Government will introduce support policies in respect of land, tax concession, dedicated funding, etc. Has the Government responded to and followed up on the major demands of the trade. If yes, what are the details; if not, what are the reasons?

Asked by: Hon LO Wai-kwok (Member Question No. 21)

Reply:

In 2012-13, 2013-14 and 2014-15, the Commerce, Industry and Tourism Branch assisted the trade to adjust to changes in the Mainland's policy on processing trade through the following work:

- maintaining close dialogue with the trade through various channels, so as to understand the trade's concerns and views; and maintaining close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to relay to them the trade's views and to discuss with them support measures for the trade;
- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities such as symposiums and seminars through the Trade and Industry Department (TID) and our Mainland Offices to enhance the trade's understanding of the Mainland's new policies, legislation and business environment. TID's website includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland;
- organising promotional activities and trade fairs and organising delegations to visit the Mainland through the Hong Kong Trade Development Council (HKTDC), with a view to enhancing the trade's understanding of Mainland policies and market development;
- providing Hong Kong enterprises with support services on technological upgrading, management improvement, branding and market development, etc., and Mainland market information through the HKTDC and the Hong Kong Productivity Council, etc.;
- with regard to financial support, assisting small and medium enterprises (SMEs) through the on-going "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, business restructuring and relocation;
- implementing the Dedicated Fund on Branding, Upgrading and Domestic Sales launched on 25 June 2012 to provide funding support to individual enterprises and non-profit-making organisations, so as to assist enterprises in enhancing their competitiveness and facilitating their business development in the Mainland and capturing the opportunities arising from the National 12th Five-year Plan;
- arranging our Mainland Offices to collaborate with trade associations and other organisations to organise "Hong Kong Week" promotional events in the Mainland in order to promote Hong Kong products and services, with a view to assisting Hong Kong enterprises in building up their brand image and exploring the domestic market; and
- providing platforms for Hong Kong enterprises, particularly SMEs, to showcase their products and build up greater awareness of Hong Kong brands in the Mainland through the expansion of the network of Design Gallery shops in the Mainland by the HKTDC.

In 2015-16, we will continue with the above work.

The Government's policy is to create a business-friendly environment and provide timely and adequate support so that our trade can flourish. As regards the development of industries, given the land and manpower constraints in Hong Kong, land-intensive and low

value-added while labour-intensive industries may not help create high quality job opportunities or benefit the long term development of the Hong Kong economy. We therefore consider that we should focus our resources on high value-added and high technology industries or processes that we have competitive edges or that have development potential. The various initiatives being undertaken by the Government, including the SME Funding Schemes of the Trade and Industry Department, provide support to enterprises including those interested in relocating their operations back to Hong Kong in areas such as obtaining finance and enhancing their overall competitiveness.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)118

(Question Serial No. 1093)

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

Subhead (No. & title): (-) -

Programme: (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government stated that the Hong Kong Trade Development Council will assist Hong Kong small and medium enterprises and start-ups to capture business opportunities arising from the e-tailing trend. In this connection, please advise on the following:

- (a) With the rapid growth of e-commerce in the Mainland, whether the Government has capitalised on this trend and formulated policy initiatives to develop Hong Kong into a platform for the Mainland to develop international e-commerce. If yes, what are the details? If not, what are the reasons?
- (b) Whether the Government has discussed with the Mainland authorities and assisted the trade to resolve problems such as logistics between the Mainland and Hong Kong, so as to facilitate the development of e-tailing and e-commerce? If yes, what are the details? If not, what are the reasons?

Asked by: Hon LO Wai-kwok (Member Question No. 23)

Reply:

The Hong Kong Trade Development Council (HKTDC) strives to assist Hong Kong small and medium enterprises (SMEs) to capture e-commerce opportunities. It launched Asia's major electronic database "hktdc.com" in 2000, providing a wide range of business information and value-added services. Finding suppliers through business-to-business websites has become a new sourcing trend in recent years, among them are retailers, TV shopping channels and mail order companies etc.. The HKTDC launched its "Small-Order Zone" online transaction platform in December 2014, helping suppliers and buyers to complete transactions online directly. It has also partnered with various logistics suppliers and express delivery services companies, offering special packages for SMEs and shortening the delivery time.

In addition, the HKTDC co-organised “Asian Logistics and Maritime Conference” (ALMC) with the Government each year. Starting from 2012, the ALMC has explored the outlook of e-commerce in Asia, in particular the Mainland China, and its impact on logistics industry. Many internationally-acclaimed speakers have been invited to provide updates on e-commerce and share opportunities and challenges ahead.

In March 2015, the HKTDC also organised logistics missions to Xian and Lanzhou and visit the pilot platform for cross-border e-commerce in Xian, as well as the offline shop of Tmall “Specialty from China - Gansu Mall”, to deepen Hong Kong enterprises’ understanding of e-commerce development in these cities and explore co-operation opportunities.

Cross-border e-commerce will be one of the major focuses of the HKTDC’s work in 2015-16 and future promotional activities. The HKTDC will continue to enhance the exchange and co-operation between the trades in Hong Kong and the Mainland.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)119****(Question Serial No. 2414)**

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

Subhead (No. & title): (-) -

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Tourism Board's marketing budget for the Mainland was \$41.8 million last year. What will be the relevant estimated expenditure in 2015-16? Please also list in the table below the estimated expenditure.

Target cities/ provinces/regions	Marketing Content	Amount	Percentage increase/decrease as compared to that in the previous year

Asked by: Hon MO Claudia (Member Question No. 23)

Reply:

The revised estimates of the Hong Kong Tourism Board (HKTB) for 2014-15 for the Mainland market is \$40 million and the estimated marketing budget for 2015-16 is similar. Of this Mainland budget, 95% will be spent on non-Guangdong regions to attract overnight visitors. The amount for Guangdong area will only account for 5% of the total budget for the Mainland market and will be used primarily for promoting cruise tourism.

As for initiatives in the Mainland, the HKTB will join forces with the Mainland travel trade to promote Hong Kong's tourism products in various cities for attracting overnight visitors to Hong Kong during major holidays, such as summer holidays and the National Day holidays, and during the staging of HKTB mega events, such as the Hong Kong Wine and Dine Month, Hong Kong Halloween Treats, Hong Kong WinterFest, and Hong Kong

Chinese New Year Celebrations. Meanwhile, the HKTb will promote the uniqueness of Hong Kong's arts and culture and related activities in major Mainland cities, such as Beijing and Shanghai. It will also continue to take part in leisure and MICE trade shows in the market, and promote Hong Kong's MICE strengths to big corporations in the Mainland in order to bring more MICE events to Hong Kong.

The breakdown of the HKTb's estimated budget for promotions targeting various Mainland regions and highlights of initiatives in 2015-16 are as follows:

Region	Budget (\$m)	Vs. 2014-15	Highlights of promotions
South China	6.8	Similar	<u>Non-Guangdong areas</u> <ul style="list-style-type: none"> ➤ focus on promoting mega events, such as Hong Kong WinterFest and Hong Kong Chinese New Year Celebrations; ➤ promote the exciting activities in summer; and ➤ continue to promote Quality and Honest Hong Kong tours with the trade. <u>Guangdong area</u> <ul style="list-style-type: none"> ➤ mainly promote cruise tourism.
Non-Guangdong	4.8		
Guangdong	2.0		
Central China	10.0	+4.2%	<ul style="list-style-type: none"> ➤ promote various mega events, such as Hong Kong WinterFest, Hong Kong Wine & Dine Month and Hong Kong Chinese New Year Celebrations; ➤ promote the exciting activities in summer; and ➤ continue to promote Quality and Honest Hong Kong tours with the trade.
East China	11.2	-3.4%	<ul style="list-style-type: none"> ➤ promote various mega events, such as Hong Kong Halloween Treats, Hong Kong Wine & Dine Month, Hong Kong WinterFest and Hong Kong Chinese New Year Celebrations; ➤ promote the exciting activities in summer; ➤ promote Hong Kong's uniqueness in arts and culture and related activities; ➤ promote Hong Kong's strengths and appeal in MICE tourism to event organisers and big corporations; and ➤ continue to promote Quality and Honest Hong Kong tours with the trade.

Region	Budget (\$m)	Vs. 2014-15	Highlights of promotions
North China	12.0	Similar	<ul style="list-style-type: none"> ➤ promote various mega events, such as Hong Kong Wine & Dine Month, Hong Kong WinterFest and Hong Kong Chinese New Year Celebrations; ➤ promote the exciting activities in summer; ➤ promote Hong Kong's uniqueness in arts and culture and related activities; ➤ promote Hong Kong's strengths and appeal in MICE tourism to event organisers and big corporations; and ➤ continue to promote Quality and Honest Hong Kong tours with the trade.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)120

(Question Serial No. 2424)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government claimed that the Umbrella Movement has affected the tourism industry and other tourist-related sectors. In this connection, please provide detailed data in the table below.

	Sept. 2014	Changes from Sept. 2013 (+ / %)	Oct 2014	Changes from Oct. 2013 (+ / -%)	Nov. 2014	Changes from Nov. 2013 (+ / -%)	Dec. 2014	Change from Dec. 2013 (+ / -%)
Total no. of visitors								
No. of Mainland Visitors								
No. of same-day Mainland visitors								
No. of visitors travelling on multiple-entry endorsements								
No. of visitors under the Individual Visit Scheme								

	Sept. 2014	Changes from Sept. 2013 (+ / %)	Oct 2014	Changes from Oct. 2013 (+ / -%)	Nov. 2014	Changes from Nov. 2013 (+ / -%)	Dec. 2014	Change from Dec. 2013 (+ / -%)
Occupancy rate of hotels and guesthouses								
Attendance for Hong Kong Disneyland								
Attendance for Ocean Park								
Value index of total retail sales in Hong Kong								
Volume index of total retail sales in Hong Kong								
Value index of retail sales in Admiralty, Causeway Bay and Mong Kok								
Volume index of retail sales in Admiralty, Causeway Bay and Mong Kok								
Business receipts index for retail sales in Hong Kong								
Business receipts index for hotel accommodation in Hong Kong								
Business receipts index for food services in Hong Kong								
Business receipts index for tourism, convention and exhibition services in Hong Kong								

	Sept. 2014	Changes from Sept. 2013 (+ / %)	Oct 2014	Changes from Oct. 2013 (+ / -%)	Nov. 2014	Changes from Nov. 2013 (+ / -%)	Dec. 2014	Change from Dec. 2013 (+ / -%)
Business receipts index for transportation in Hong Kong								
Total restaurant receipts								

Asked by: Hon Claudia MO (Member Question No. 33)

Reply:

According to the information provided by the Hong Kong Tourism Board, visitor arrivals to Hong Kong and hotel occupancy rate during September to December 2014 are as follows :

	Sept 2014 (as compared with the same period in the preceding year)	Oct 2014 (as compared with the same period in the preceding year)	Nov 2014 (as compared with the same period in the preceding year)	Dec 2014 (as compared with the same period in the preceding year)
Total visitor arrivals	4.75 million (+10.2%)	5.21 million (+12.6%)	5.30 million (+15.7%)	5.67 million (+8.5%)
Mainland visitor arrivals	3.68 million (+12.1%)	4.03 million (+18.3%)	4.16 million (+24.1%)	4.40 million (+13.2%)
Same-day Mainland visitor arrivals	2.31 million (+17.3%)	2.49 million (+19.8%)	2.66 million (+30.3%)	2.72 million (+17.6%)
Arrivals travelling on multiple-entry IVS endorsements	1.28 million (+19.6%)	1.34 million (+23.7%)	1.44 million (+29.8%)	1.43 million (+18.1%)
General IVS arrivals (excluding arrivals travelling on multiple-entry IVS endorsements)	1.12 million (+6.3%)	1.26 million (+2.2%)	1.32 million (+9.1%)	1.52 million (+0.4%)
Hotel occupancy rate	85% (-1 percentage point)	88% (+1 percentage point)	90% (-2 percentage points)	91% (-1 percentage point)

It is worth noting that while visitor arrivals to Hong Kong continued to grow in 2014, the “Occupy Movement” from 28 September to 15 December last year has brought about considerable impact on the tourism industry. In particular, the businesses of hotels and shops locating in nearby areas of the “Occupy Movement” were affected more. According to the statistics provided by the Immigration Department, during the “Occupy Movement”, the number of non-Mainland visitors to Hong Kong in October, November and during the period from 1 to 15 December 2014 went down by 3.5%, 7.4% and 6.7% respectively over the same months in 2013. All these indicated a fall in the desire of visitors to travel to Hong Kong.

Regarding the patronage of the two flagship theme parks in Hong Kong, though the overall attendance of the Ocean Park during the “Occupy Movement” still recorded an increase, there were fewer IVS visitors going there compared to the same period in 2013. As regards the Hong Kong Disneyland, its attendance during the “Occupy Movement” was lower than that of the same period in 2013.

Moreover, according to the information provided by the Census and Statistics Department (C&SD), the relevant data on retail sales and restaurant receipts during September to December 2014 are as follows:

	2014			
	Sep	Oct	Nov	Dec
Value index of retail sales <i>(Average of monthly indices from Oct 2009 to Sep 2010 =100)</i>	145.2	148.2	159.6	184.5
(Year-on-year change)	(+4.8%)	(+1.4%)	(+4.2%)	(-4.0%)
Volume index of retail sales <i>(Average of monthly indices from Oct 2009 to Sep 2010 =100)</i>	135.5	139.2	150.5	174.5
(Year-on-year change)	(+6.6%)	(+4.3%)	(+7.6%)	(-1.4%)
Value index of retail sales for Admiralty, Causeway Bay and Mong Kok	Not available			
Volume index of retail sales for Admiralty, Causeway Bay and Mong Kok	Not available			
Total restaurant receipts (HK\$million)	8,271	8,225*	8,360*	9,184*
(Year-on-year change)	(+3.9%)	(+0.1%)*	(+1.9%)*	(+2.8%)*

Note : (*) Provisional figure

As for the business receipts indices of selected service industries (i.e. retail, accommodation services, food services and transportation) and the tourism, convention and exhibition services domain, the C&SD only has the quarterly figures. The figures of the third and the fourth quarters of 2014 are as follows :

	Q4 2013	Q3 2014 as compared with Q3 2013	Q4 2014	Q4 2014 as compared with Q4 2013
Business receipts index of retail industry for whole Hong Kong <i>(Quarterly average of 2008=100)</i>	170.3	+1.6%	186.5*	+0.2%*
Business receipts index of accommodation services industry for whole Hong Kong ¹ <i>(Quarterly average of 2008=100)</i>	154.6	+9.6%	172.0*	-1.6%*
Business receipts index of food services industry for whole Hong Kong <i>(Quarterly average of 2008=100)</i>	127.9	+4.9%	129.8*	+1.7%*
	Q4 2013	Q3 2014 as compared with Q3 2013	Q4 2014	Q4 2014 as compared with Q4 2013
Business receipts index of transportation industry for whole Hong Kong <i>(Quarterly average of 2008=100)</i>	117.2	+7.4%	118.1*	+4.2%*
Business receipts index of tourism, convention and exhibition services domain for whole Hong Kong ² <i>(Quarterly average of 2008=100)</i>	229.2*	+2.5%*	238.9*	-2.7%*

Note : (*) Provisional figure

- (1) Accommodation services cover hotels, guesthouses, boarding houses and other establishments providing short term accommodation.
- (2) A service domain differs from a service industry in that it comprises those economic activities which straddle different industries but are related to a common theme. For example, the tourism, convention and exhibition services domain includes all services of hotels and travel agents; and those of restaurants, retailers and transport operators involving visitors as customers.

It is worth noting that as the selected service industries cover a wide range of economic activities, the tourism-related economic activities are only one of the factors affecting the relevant industries.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)121

(Question Serial No. 3176)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On considering the introduction of Food Trucks, which is popular abroad, to the mix of Hong Kong's existing food scene, what will be the objectives, details and timetable for such? While considering the introduction of food truck, the Government has combated on-street hawkers such as the night market in Kweilin Street with local characteristics during the Lunar New Year, does it contradict with the policy objectives?

Asked by: Hon MO Claudia (Member Question No. 48)

Reply:

Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation, food safety and environmental hygiene, etc. with a view to bringing in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea, Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required.

The Government is committed to ensuring food safety, and maintaining a clean and hygienic living environment for the people of Hong Kong, including those living in the vicinity of areas designated for hawking. The objective of hawker control operations is to keep the streets and thoroughfares generally free of unlicensed hawkers and to prevent illegal hawking activities from taking root. In taking enforcement actions against

unlicensed hawking activities, we are committed to ensuring that food safety and environmental hygiene would not be compromised. It is envisaged that the operation of food trucks, if and when introduced, would be subject to prudent regulation that covers, amongst other things, food safety and environmental hygiene. As such, the Government does not see any contradiction between the policy of FHB, on the one hand, to uphold reasonable standards of food safety and environmental hygiene when regulating hawker activities, and the initiative being pursued by CEDB, on the other hand, to bring in food trucks for enriching the local food scene.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)122

(Question Serial No. 3853)

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

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in paragraph 46 of the Budget speech that free online government information will be released in digital formats from this year onwards.

(1) Please provide, in the following table, the details about free online government information to be released in digital formats by this Bureau/department for downloading by the public:

Bureau/ Department	Information/Data open to the public for free	Information description	Year of information	Whether it is currently available on GovHK	Date of release and frequency of updates	Available download formats (Please choose)			
						JSON, XML, or CSV	XLS, DOC	TIF, JPG, PDF, PNG	RSS

(2) What are the manpower and expenditure involved for releasing online government information by this Bureau/department in 2015-16?

(3) Has this Bureau/department examined all non-confidential information owned and possessed by it so as to prioritise their release, and compile information involved in digital formats to facilitate retrieval and research, or application development, with a view to creating more industries by innovative reuse of data? If yes, what are the details? If not, what are the reasons?

Asked by: Hon MOK Charles Peter (Member Question No. 68)

Reply:

- (1) We have been providing information for public access through our websites. The information provided includes, inter alia, consultation documents, press releases, speeches, membership lists of boards and committees, and various topical issues. The information is prepared in the format of PDF, HTML, XLS, DOC, JPG, etc. Given the wide range and large quantity of information involved, we cannot list out the information in detail.
- (2) Handling information for public consumption is an integral part of the daily work of our staff. In 2015-16, the work will continue to be undertaken by our existing manpower and no additional resources will be required.
- (3) The Government will release all free online government information in digital formats from this year onwards, with a view to tapping the creativity and ingenuity of the community to develop innovative applications. This helps bring convenience to the public and open up new business opportunities.

Under the policy of releasing all free government online information in digital formats, we will progressively release the multifarious public sector information in digital formats. As it takes time to organise the huge volume of data involved and new types of data are created with the introduction of new services from time to time, there is no plan to draw up a concrete timetable for the release of public sector information in digital formats at this stage.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)123

(Question Serial No. 3854)

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

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In connection with the provision of public information and gathering of public opinions by means of the Internet, please advise of the particulars, in tabulated forms (see Annex 1), regarding the social media platforms set up and operated by your bureau/department/public bodies or their agents (such as out-sourced contractors or consultants) for the past year.

Commencement of operation (Month/Year)	Status (keep updating/ceased updating (as at 28 February 2015)	Government agencies (including policy bureaux/departments/public bodies/government consultants)	Name	Social media (Facebook/Flickr/Google+/LinkedIn/Sina Weibo/Twitter/YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/subscribers/average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
			(1)...	(1)...					
			(2)...	(2)...					
			(3)...	(3)...					

Asked by: Hon Charles Peter MOK (Member Question No. 69)

Reply:

The information relating to social media platforms set up and operated by Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) (CITB) as well as the departments and public bodies under the purview of CITB in 2014-15 are provided at Annex 1.

- End -

Social Media Platforms set up and operated by Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) (CITB)
as well as the departments and public bodies under the purview of CITB in 2014-15

Commence- ment of operation (Month/ Year)	Status (keep updating/ ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of ‘Likes’/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establi- shment and daily operation (as at 28 February 2015)
February 2010	Keep updating	Invest Hong Kong (InvestHK)	InvestHK’s YouTube channel	YouTube	To post case study videos, InvestHK corporate videos and StartmeupHK videos to promote Hong Kong’s advantages as a destination for foreign direct investment (FDI) Over 220 videos have been uploaded.	492 subscribers Average views 5 844 per month	Yes	1 Investor Support Officer (ISO) and 2 Investment Promotion Assistants (IPAs) (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ ceased updating) (as at 28 February 2015)	Departments/ Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
February 2010	Keep updating	InvestHK	InvestHK’s Flickr channel	Flickr	To post event and press release photos and videos Around 571 photos and videos have been uploaded.	About 29 followers Average views 988 per month	N.A.	1 ISO and 2 IPAs (Note 1)	Not applicable (Note 2)
May 2010	Keep updating	Invest HK	InvestHK’s Twitter channel	Twitter	To post stories about InvestHK clients and Hong Kong’s advantages and FDI trends Over 1,474 tweets have been issued.	About 4 028 followers	Yes	1 ISO and 2 IPAs (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments/ Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
May 2012	Keep updating	InvestHK	InvestHK’s LinkedIn group	LinkedIn	To post discussions and stories about setting up and expanding in Hong Kong 146 updates	394 members	Yes	1 ISO and 2 IPAs (Note 1)	Not applicable (Note 2)
August 2012	Keep updating	InvestHK	InvestHK’s LinkedIn company page	LinkedIn	To post stories about InvestHK, its clients and Hong Kong’s advantages and FDI trends. Over 400 posts have been issued.	4 411 members	Yes	1 ISO and 2 IPAs (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
December 2012	Keep updating	InvestHK	InvestHK’s account on Sina Weibo	Sina Weibo	To post stories about InvestHK, its clients and Hong Kong’s advantages and FDI trends for investment promotion About 140 feeds have been issued.	Around 230 followers	No	ISO (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
July 2013	Keep updating	InvestHK	StartmeupHK Twitter channel	Twitter	To post stories about StartmeupHK Venture Programme, Startup community events and Hong Kong's advantages Over 1 099 tweets have been issued.	About 1 762 followers	Yes	1 ISO, 2 IPAs and 2 interns (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
July 2013	Keep updating	InvestHK	StartmeupHK Venture Programme	Facebook	To post stories about StartmeupHK Venture Programme, Startup community events and Hong Kong's business advantages Over 737 posts have been issued.	About 6 540 Likes	Yes	1 ISO, 2 IPAs and 2 interns (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
October 2014	Keep updating	Competition Commission	Competition Commission	YouTube	To post educational videos and TV Announcements of Public Interests (APIs) to raise public awareness as well as to educate on the benefits and major elements of the Competition Ordinance. Six videos have been uploaded.	Average monthly views: 6,900	No	1 Assistant Manager, with administrative support from 1 assistant (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
July 2009	Keep updating	Hong Kong Observatory	Hong Kong Observatory	YouTube	To broadcast weather programmes, to promote HKO’s weather services and meteorological knowledge, and to enhance public’s awareness of weather hazards. 775 videos were uploaded in the past year.	Average no. of monthly visitors in the past year: about 159 000	Yes	2 Scientific Officers; 1 Chief Scientific Assistant; 2 Scientific Assistants (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
September 2010	Keep updating	Hong Kong Observatory	Observatory HKO	Twitter	To provide real-time weather information, weather reports related to hazardous weather, earthquake messages, as well as news of the HKO. About 12 000 tweets have been issued since launching.	Number of followers : about 21 000	Yes	1 Scientific Officer; 1 Analyst Programmer II; 1 Scientific Assistant (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
March 2011	Keep updating	Hong Kong Observatory (HKO)	HongKongObservatory	Sino Weibo	<p>To provide real-time weather information, weather reports related to hazardous weather, earthquake messages, as well as news of the HKO.</p> <p>About 12 000 messages (microblogs) have been issued since launching.</p>	Number of "fans" : about 175 000	Yes	1 Scientific Officer; 1 Analyst Programmer II; 1 Scientific Assistant (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
March 2011	Keep updating	Hong Kong Observatory	HKO Earthquake M6.0+	Twitter	To provide preliminary analyses on worldwide earthquakes of magnitude 6.0 or above and locally felt earth tremors. About 1 500 tweets have been issued since launching.	Number of followers : about 5 400	Yes	1 Scientific Assistant (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
January 2012	Keep updating	Hong Kong Observatory	HKIA Weather Information	Twitter	To provide aviation users with real-time weather information at the Hong Kong International Airport (HKIA). About 1 500 tweets have been issued since launching.	Number of followers : about 280	Yes	1 Scientific Officer; 1 Analyst Programmer II (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
April 2013	Keep updating	Hong Kong Observatory	HKO Earthquake M5.0+	Twitter	To provide preliminary analyses on worldwide earthquakes of magnitude 5.0 or above. About 6 400 tweets have been issued since launching	Number of followers : about 1 200	Yes	1 Scientific Assistant (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments/ Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
May 2014	Keep updating	Hong Kong Observatory	Community Weather Observing Scheme	Facebook	To promote weather observation and meteorological education. About 7 000 weather observations and photos have been uploaded since launching.	Around 1 130 group members	Yes	1 Scientific Officer (Note 1)	Not applicable (Note 2)
April 2011	Keep updating	Hongkong Post	hkpogovhk on YouTube channel	YouTube	To disseminate information on Hongkong Post Number of updates : 8	No. of subscribers : 43; Average monthly visits: 67	Not applicable	1 Assistant Controller of Posts II (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments/ Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
June 2013	Keep updating	Intellectual Property Department (IPD)	IPD HKSARG	YouTube	To promote intellectual property protection through IPD’s TV APIs and promotional videos. 113 videos have been uploaded.	No. of subscribers : 59 Average monthly visits: 1 829	No	1 Assistant Manager (Note 1)	Not applicable (Note 2)
August 2013	Keep updating	Consumer Council	Consumer Council on YouTube Channel (previously dedicated to disseminating Wise Shopping videos)	YouTube	To disseminate information on the Consumer Council No. of updates: 2	Average monthly views: 171 (1 February 2014 – 28 February 2015)	No	1 Officer (Note 1)	Nil

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
End 2009	Keep updating	Hong Kong Economic and Trade Office, Brussels	The LinkedIn accounts of Senior Investment Promotion Executive (SIPE), Investment Promotion Executive (IPE) and Investment Promotion Assistant (IPA)	LinkedIn	(a) To identify potential investors in a particular country and contacts of a particular company (b) To share information on economic developments in Hong Kong	LinkedIn does not provide a log of the viewing statistics.	No	1 SIPE 1 IPE 1 IPA (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
					<p>(c) To publicize SIPE's and IPE's business trips so that interested parties may approach him in person</p> <p>(d) To promote and communicate with the Startup enterprises</p>				

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
					Number of updates: The content was updated as and when necessary. No record on the number of updates.				
January 2015	Keep updating	Hong Kong Economic and Trade Office, Brussels	The Twitter account of IPE	Twitter	Same objectives as set out above for LinkedIn Number of updates: The content was updated as and when necessary. No record on the number of updates.	32 following 9 followers	No	1 IPE (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
November 2011	Keep updating	Hong Kong Economic and Trade Office, London	hketolondon’s channel	YouTube	To upload videos to publicize London ETO’s activities as well as to promote Hong Kong 18 videos have been uploaded as at 28 February 2015.	As at 28 February 2015, there were 26 “Likes”, 11 subscribers and 5 370 views of the 18 videos.	No	1 Principal Information Officer (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
January 2015	Keep Updating	Hong Kong Economic and Trade Office, New York	Hong Kong Meets America	Facebook	To bring trendy information about Hong Kong To upload the latest news about Hong Kong and promote the activities organized by New York ETO Update at least once daily	404 “Like”	Yes	1 Press Officer 1 Press Assistant (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
February 2014	Keep updating	Hong Kong Economic and Trade Office, San Francisco	<p>(a) The Twitter account of the Investment Promotion Unit of San Francisco ETO - @InvestHKSF</p> <p>(b) The Facebook page of the Investment Promotion Unit of San Francisco ETO - InvestHKSF</p> <p>(c) The LinkedIn group page of the Investment Promotion Unit of San Francisco ETO - InvestHK SF</p>	<p>(a) Twitter</p> <p>(b) Facebook</p> <p>(c) LinkenIn</p>	<p>To share information and news about Hong Kong, events such as the StartmeUpHK Venture Program to promote Hong Kong's advantages as a destination for foreign direct investment</p> <p>(a) About 113 tweets have been issued</p>	<p>(a) About 170 followers</p> <p>(b) About 23 friends</p> <p>(c) About 25 members</p>	No	<p>1 Senior Manager, Investment Promotion</p> <p>1 Senior Administrative Assistant (Note 1)</p>	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
					(b) About 107 posts have been issued (c) About 94 posts have been issued				

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
April 2014	Ceased updating	Hong Kong Economic and Trade Office, Singapore (Singapore ETO)	Drama: If There're Seasons	(1) Facebook (2) YouTube (3) Twitter (4) Omy Blog	To promote the event The content was updated as and when necessary. No record on the number of updates.	(1) 87 "Likes" (2) 43 890 views, 337 Likes (3) 1 668 followers (4) 379 460 hits No record on the average monthly visit was kept by the agent as it was a one-off event	No	Not applicable (the page was managed by the agent appointed by Singapore ETO for organizing the event)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
April 2014	Ceased updating	Singapore ETO	The 2 nd Singapore Chinese Film Festival	(1) Facebook (2) YouTube (3) Twitter	To promote the event The content was updated as and when necessary. No record on the number of updates.	(1) 35 "Likes" (2) 2 181 views, 5 Likes (3) 89 followers No record on the average monthly visit was kept by the agent as it was a one-off event	No	Not applicable (the page was managed by the agent appointed by Singapore ETO for organizing the event)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments/ Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
May 2014	Ceased updating	Singapore ETO	Musical : I have a date with Spring	(1) Facebook (2) YouTube (3) Twitter	To promote the event The content was updated as and when necessary. No record on the number of updates.	(1) 3 "Likes" (2) 477 views, 1 Likes (3) 151 followers No record on the average monthly visit was kept by the agent as it was a one-off event	No	Not applicable (the page was managed by the agent appointed by Singapore ETO for organizing the event)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
June 2014	Ceased updating	Co-organized by Singapore ETO and Hong Kong Tourism Board	Hong Kong’s Evolving Harbour exhibition	(1) Facebook (Advertisement)	Not applicable	17 553 “Likes”	No	Not applicable	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments/ Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
June 2014	Ceased updating	Singapore ETO	Spotlight Hong Kong in Penang	(1) Facebook (2) YouTube (3) Twitter	To promote the event The content was updated as and when necessary. No record on the number of updates.	(1) 51 "Likes" (2) 82 views, 1 Likes (3) 7 036 followers No record on the average monthly visit was kept by the agent as it was a one-off event	No	Not applicable (the page was managed by the agent appointed by Singapore ETO for organizing the event)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
September 2014	Ceased updating	Singapore ETO	Hong Kong Chinese Orchestra concert	(1) Facebook (2) YouTube (3) Twitter	To promote the event The content was updated as and when necessary. No record on the number of updates.	(1) 340 "Likes" (2) 1 167 views, 5 Likes (3) 172 000 followers No record on the average monthly visit was kept by the agent as it was a one-off event	No	Not applicable (the page was managed by the agent appointed by Singapore ETO for organizing the event)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
(1) May 2011 (2) March 2013	Keep updating	Hong Kong Economic and Trade Office, Sydney	(1) Hong Kong In Australia and New Zealand (2) Hong Kong Business News – Australia & New Zealand	(1) Facebook (2) LinkedIn	This page shares various information, news, events and photos about Hong Kong with Australian and New Zealand audience Frequency of updates: About 5-6 posts per week	(1) About 5 700 “Likes” (2) About 230 members	No	1 Public Relations Officer (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
February 2011	Keep updating	Hong Kong Economic and Trade Offices in the US	USETO’s YouTube channel	YouTube	To upload relevant clips on the latest developments in Hong Kong and activities of the USETOs 10 clips have been uploaded	6 subscribers	Not applicable	1 IT Consultant (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
(1) & (2) May 2010 (3) May 2011 (4) March 2013 (5) & (6) Dec 2014 (7) Jan 2015 (8) Feb 2015	Keep updating	Hong Kong Tourism Board (HKTB)	(1) Discover Hong Kong (2) 香港逗陣行 "Let's Go Hong Kong" (Taiwan) (3) Discover Hong Kong (Australia) (4) Discover Hong Kong - 香港政府觀光局 (Japan) (5) Discover Hong Kong - 홍콩 여행의 모든 것 (Korea)	Facebook	To disseminate Hong Kong travel information to overseas visitors Updated almost daily	No. of fans: over 1 510 000	Yes	The digital marketing division has a total of 6 personnel, (including 1 Manager, 1 Assistant Manager, 2 Senior Executives, 1 Social Media Specialist and 1 Executive) (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
			<p>(6) Discover Hong Kong - Откройте для себя Гонконг (Russia)</p> <p>(7) Discover Hong Kong - Khám phá Hong Kong (Vietnam)</p> <p>(8) Discover Hong Kong - فاشتكاء - غنوك غنوه (Middle East)</p>						

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments/ Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
2009	Keep updating	HKTB	Hong Kong Tourism Board	Sina Weibo	To disseminate Hong Kong travel information to overseas visitors About 4 600 posts have been released	No. of subscribers : about 1 749 000	Yes	-ditto-	Not applicable (Note 2)
(1) 2013 (2) 2010 (3) 2011 (4) 2010	Keep updating	HKTB	(1) DiscoverHK (2) HongKongTourism (US) (3) HKTourismUK (UK) (4) HKTB_JP (Japan)	Twitter	To disseminate Hong Kong travel information to overseas visitors Over 20 900 posts have been released	No. of subscribers : about 111 000	Yes	-ditto-	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
October 2007	Keep updating	HKTB	(1) Discover Hong Kong (2) Discover Hong Kong (Taiwan)	YouTube	To release promotional videos on the HKTB, tourist attractions and international sporting and cultural events Over 580 videos have been uploaded	Total views of videos: over 17 000 000	Yes	-ditto-	Not applicable (Note 2)
2013	Keep updating	HKTB	Discover Hong Kong	Instagram	To release promotional images on Hong Kong travel information About 300 images have been uploaded	No. of subscribers : about 8 800	Yes	-ditto-	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
2013	Keep updating	HKTB	(1) Hong Kong Tourism Board (for Mainland market) (2) Let's Go Hong Kong (Taiwan)	WeChat	To disseminate Hong Kong travel information to overseas visitors Updated weekly	No. of subscribers: over 221 300	Yes	-ditto-	Not applicable (Note 2)
September 2006	Keep updating	Hong Kong Trade Development Council (HKTDC)	HKTDC page	Youtube (English)	To upload video content generated by HKTDC 1 503 videos uploaded	3 730 Subscribers 2 073 649 views	No	1 Senior Video Producer and 1 Assistant Video producer (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
November 2010	Keep updating	HKTDC	HKTDC page (Traditional Chinese)	YouTube (Cantonese)	To upload video content generated by HKTDC 1 113 videos uploaded	3 833 Subscribers 1 257 969 views	No	1 Senior Video Producer and 1 Assistant Video producer (Note 1)	Not applicable (Note 2)
November 2010	Keep updating	HKTDC	HKTDC page (Simplified Chinese)	YouTube (Putonghua)	To upload video content generated by HKTDC 663 videos uploaded	1 031 subscribers 336 678 views	No	1 Senior Video Producer and 1 Assistant Video producer (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments/ Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of “Likes”/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
September 2012	Keep updating	HKTDC	HKTDC page (Simplified Chinese)	Youku	To upload video content generated by HKTDC 651 videos uploaded	712 subscribers 886 634 views	No	1 Assistant Video Producer and 1 Social Media Executive (Note 1)	Not applicable (Note 2)
September 2012	Keep updating	HKTDC	HKTDC page (Simplified Chinese)	Tudou	To upload video content generated by HKTDC 642 videos uploaded	74 subscribers 525 600 views	No	1 Assistant Video Producer and 1 Social Media Executive (Note 1)	Not applicable (Note 2)
August 2010	Keep updating	HKTDC	HKTDC account	Twitter	To provide updated news about HKTDC’s activities and videos 3 369 tweets posted	5 370 followers	No	1 Manager and 1 social media executive (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
October 2010	Keep updating	HKTDC	HKTDC account	LinkedIn	<p>To provide updated news about HKTDC's activities and videos and to network with buyers and players from different business sectors</p> <p>Frequency of update: About 15 -20 posts per week</p>	8 676 followers	No	1 Manager and 1 social media executive (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
(1) July 2011 (2) May 2012 (3) October 2012	Keep updating	HKTDC	3 accounts: (1)@香港貿發局 時尚生活 (2)@香港貿發局 (3)@香港商貿通	Sina Weibo	To promote HKTDC's services, Hong Kong lifestyle, design and original brands and Hong Kong as a business platform for Mainland companies to venture into international markets Daily 5 – 19 posts for each account	No of fans for (1) @香港貿發局時尚生活: 32 325 (2)@香港貿發局: 133 686 (3)@香港商貿通: 43 346	No	1 Deputy manager and 1 New Media Executive (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
September 2012	Keep updating	HKTDC	HKTDC account	Google+	To provide updated news about HKTDC's activities and videos 707 posts uploaded	4 786 followers 2 832 949 views	No	2 Social Media Specialists (Note 1)	Not applicable (Note 2)
June 2013	Keep updating	HKTDC	HKTDC 香港貿發局	Facebook	To provide updated news about HKTDC's activities Frequency of update: About 1 – 3 posts per day	HKTDC 香港貿發局 40 484 fans	No	1 Manager and 1 New Media Assistant Manager (Note 1)	Not applicable (Note 2)

Commencement of operation (Month/Year)	Status (keep updating/ceased updating) (as at 28 February 2015)	Departments / Organizations	Name	Social media (Facebook/ Flickr/ Google+/ Linked In /Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2015)	No. of "Likes"/ No. of subscribers/ Average monthly visits (as at 28 February 2015)	Compiling summary of comments and following up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2015)	Financial resources involved in the establishment and daily operation (as at 28 February 2015)
(1) November 2013 (2) October 2014	Keep updating	HKTDC	2 accounts: (1)香港貿發局 (2) 香港貿發局展覽頻道	Tencent Wechat	(1) To promote HKTDC's services, fairs, research articles, SME success stories, etc. Frequency of update: One message per day (except weekends) (2) To promote updated news and details of HKTDC exhibitions Frequency of update: About 3- 4 messages per week	(1) 香港貿發局 4 966 Subscribers (2) 香港貿發局展覽頻道 3 884 subscribers	No	(1) 1 Deputy Manager and 1 New Media Executive (Note 1) (2) 2 Social Media Specialists (Note 1)	Not applicable (Note 2)

Note 1: It is part of the work of the relevant staff to develop/manage the social networking platforms.

Note 2: This branch/departments/organisations deploy existing resources to develop/manage the social networking platforms. While the concerned staff of some organisations also need to take up other duties. The expenditure has been subsumed under the estimates of the daily operational expenses of the branch/departments/organisations. It is difficult to quantify such expenditure separately.

CONTROLLING OFFICER'S REPLY

CEDB(CIT)124

(Question Serial No. 4825)

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

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Branch's expenditure on the procurement of computer software and hardware, will the Government advise this Committee of the following issues:

- (a) Does the Government have any standard internal procurement guidelines which set out the criteria for the purchase or upgrade of computer software and hardware by departments? If so, what are the details? Do the guidelines require that departments should upgrade its computer software and hardware in a timely manner?
- (b) Microsoft, the computer software and hardware supplier, will terminate its support service for its operating platform Windows XP. Please provide, in light of this, the respective numbers of computers in the Branch which are using (1) the operating platform of Microsoft Windows XP; (2) the operating platforms released by Microsoft before 2001; and (3) other operating platforms (please specify the version), as well as the respective percentages of the Branch's total numbers of computers these 3 types of operating systems account for. Does the Branch have any plan to upgrade these operating platform versions which are now obsolete?
- (c) What are the expenditure on and criteria for the procurement of tablet computers by the Branch? What are the model numbers and uses of the tablet computers? Is there any confidential information saved on the tablet computers? If so, what are the details? Is there any information security software installed in the tablet computers used by the Branch? What is the expenditure involved?
- (d) How many computers of the Branch are operating offline and what are the versions of their operating platforms? Are there any uniform standards for the use of information security or anti-virus software by the Branch? If so, what is the type of software used? If not, what are the respective types of software used?

Asked by: Hon MOK Charles Peter (Member Question No. 113)

Reply:

- (a) Under existing government guidelines, bureaux and departments (B/Ds) are required each year to formulate information technology (IT) project portfolio for the next 3 years and plan for the related IT projects so as to ensure these projects can practically and effectively meet the business and operational needs of the related B/Ds. In accordance with the prevailing guidelines, we will conduct timely planning to ensure that our IT projects align with our business objectives. With regard to the planning for IT upgrade projects, we will examine and assess various potential risks and devise associated mitigation measures. From the technology perspective, the potential risks that are taken into consideration include product compatibility, maintenance and support, replacement products for ensuring continuity and availability of market supply. In procuring or upgrading computer hardware and software, we will follow the government procurement guidelines to make the most cost-effective purchase through open and fair competition, and will take into account the importance and priority of the IT projects.
- (b) The operating platform of all our computers has been upgraded from Microsoft Windows XP to Microsoft Windows 7. No computer is using the operating platforms released by Microsoft before 2001 or other obsolete versions.
- (c) In procuring tablet computers, we have followed the government procurement guidelines to make the most cost-effective purchase through open and fair competition. The model of tablet computer presently used is Apple iPad and the total expenditure in 2014-15 is around \$4,000.

Our tablet computers are mainly procured for use by staff to meet their operational needs outside the office, including receiving and sending emails as well as reading meeting documents. No confidential information is saved on the tablet computers in accordance with the Security Policy. While there is no information security software installed on the tablet computers, we have adopted measures that are compliant with the government information security requirements, including enabling the password lock on tablet computers and wiping device data after a specific number of failed login attempts.

- (d) We do not have computers operating offline. We have followed government security guidelines in deploying information security and anti-virus software. Currently, the anti-virus software being installed on all computers is Symantec Endpoint Protection.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)125

(Question Serial No. 2713)

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

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

To evaluate the justifications for the Government to make use of financial resources for exploring the use of electronic letters of credit, please explain the common modes of operation currently adopted in cross-border trade and their inadequacies, how the use of electronic letters of credit may improve the modes of operation in cross-border trade, and what economic benefits may be brought to Hong Kong.

Asked by: Hon QUAT Elizabeth (Member Question No. 42)

Reply:

Open account, advanced payment and letter of credit (LC) are commonly used finance instruments in cross-border trade. Open account allows a buyer to pay a seller after the receipt of goods and services, thus exposing the seller to the credit risk of the buyer; advanced payment requires a buyer to make payment, either in full or partial amount, to a seller upfront and thus exposes the buyer to the credit risk of the seller.

Regarding LCs, the credit risk involved is shared by a third party, i.e. banks. In the traditional issuance, delivery and verification of LCs, the seller, buyer and the respective banks handle a large volume of paper documents including issued by different parties supporting documents (e.g. bills of lading, inspection certificates and certificates of origin). The process takes time, incurs manual costs and exposes to risks of errors.

In principle, adopting electronic LCs will shorten the turnaround time of document transmission among parties of cross-border trade, reduce risks and enhance efficiency, thus saving costs. Subject to discussions between the Government and the industries on exploring the feasibility of encouraging the wider adoption of electronic LCs, it is difficult at this stage to elaborate on the actual economic benefits that might arise.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)126

(Question Serial No. 2719)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget that the Financial Secretary will earmark \$23 million in the coming 3 years for offering intellectual property (IP) consultation, manpower training and other services to small and medium enterprises. As regards tax deduction for capital expenditure incurred on the purchase of IP rights, the Secretary will consider extending the scope to cover more types of IP rights as appropriate.

1. Please explain the details and contents of the concrete supporting plan in relation to the \$23 million earmarked; and
2. Regarding the examination of extending the scope to cover more types of IP rights as appropriate for the tax deduction for capital expenditure incurred on the purchase of IP rights, has the Administration consulted the industry? What will be the concrete plans?

Asked by: Hon QUAT Elizabeth (Member Question No. 48)

Reply:

Set up in March 2013, the Working Group on Intellectual Property (IP) Trading (Working Group) has worked intensively to study and advise on the promotion of IP trading in Hong Kong. In November 2013, the Working Group promulgated a strategic framework (Framework) for forging ahead the development of IP trading. The Framework covers four strategic areas, namely enhancing the IP protection regime; supporting IP creation and exploitation; fostering IP intermediary services and manpower capacity; and pursuing promotion, education and external collaboration efforts.

Actions thus far

In line with the deliberations and advice of the Working Group, various actions have been underway, for example -

(i) enhancing our IP regime –

- we are implementing an “Original Grant Patent” (OGP) system, and are drawing up the requisite amendments to the Patents Ordinance (Cap 514) to provide for the legal framework of the OGP system. Subject to progress, we aim at introducing a bill into the Legislative Council in the first half of this year and launching the OGP system in 2016/17 at the earliest;
- we introduced the Copyright (Amendment) Bill 2014 into the Legislative Council in June 2014, which seeks to strengthen copyright protection in the digital environment, and safeguard users' freedom of expression. A Bills Committee is scrutinising the Bill with our full support;
- we carried out a consultation exercise from November 2014 to February 2015 on the proposed application of the Madrid Protocol to Hong Kong, which may enable trade mark owners to enjoy the convenience of one-stop service in seeking trade mark protection and manage their trade mark portfolio in multiple countries. Taking into account the consultation outcome, the Government will set out the best way forward;

(ii) supporting IP creation and exploitation –

- the Intellectual Property Department (IPD), in collaboration with the IP Committee of the Law Society of Hong Kong (Law Society), launched in December 2014 a 6-month pilot scheme to provide IP consultation services to small and medium-sized enterprises (SMEs). The Hong Kong Trade Development Council (HKTDC) has also broadened the scope of its existing advisory services to help SMEs make better use of their IP;
- the Innovation and Technology Commission (ITC), through the \$5 billion Innovation and Technology Fund, has been financing projects that contribute to innovation and technology upgrading and development. In 2014, ITC launched new improvement measures to promote private sector research and development (R&D), commercialisation of R&D outcomes, and their application in the public sector;

(iii) fostering IP intermediary services and manpower capacity –

- HKTDC launched the Asia IP Exchange (AsiaIPEX), an online IP trading portal, in December 2013 to enhance Hong Kong's online IP trading volume, capabilities and connections. As at end-February 2015, AsiaIPEX has formed alliances with 28 strategic partners local and overseas, and covered over 25 000 entries of tradable IPRs (including copyright, patents, registered design and trade marks);

- IPD commissioned in June 2014 a Survey on IP trading among IP creators, owners and users in Hong Kong. Findings of the survey are expected to be available in the first half of 2015;
- (iv) pursuing promotion, education and external collaboration efforts –
- the Government co-organised the 2013 and 2014 Business of Intellectual Property Asia Forum with HKTDC and Hong Kong Design Centre. The tripartite co-organisation will continue this year, with a view to bringing this annual IP flagship event in the region to a strategic level.

Working Group Report

Following considered examination of specific policies and measures in support under the Framework, the Working Group released its Report in March 2015, with a host of recommended actions to “*Position and promote Hong Kong as the premier IP trading hub in Asia*”, which is set as our vision.

The Government has accepted the Working Group Report. Under the policy steer of CITB of CEDB, IPD will continue to work closely with other government departments and public sector and industry bodies (such as HKTDC and the Law Society) to take the recommendations forward.

Resources and Way Forward

To provide dedicated support to the Working Group and to follow up the implementation work, one Chief Executive Officer post was created in CITB in 2014/15 (for 24 months) and the total salary provision for the post is \$1.22 million annually. Other manpower and expenditure required for taking forward IP trading initiatives have been and will continue to be covered by the current establishment of and provision for CITB, IPD and relevant agencies. This includes specifically setting aside \$23 million in the coming three years to support a number of new initiatives, for example -

- (i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to SMEs, having regard to the result of the pilot scheme mentioned above;
- (ii) organising and sponsoring IP manpower training;
- (iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and
- (iv) launching of promotion and public education campaigns.

The Government would also consider extending the scope of tax deduction for capital expenditure incurred on the purchase of IP rights (IPRs) to cover more types of IPRs.

In the course of implementing the recommended actions, the Government would continue to engage and consult relevant stakeholders and industry players to ensure smooth delivery and achieve maximum results.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)127

(Question Serial No. 2721)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. How will the Bureau work with the Hong Kong Tourism Board, the tourism sector and relevant government departments to promote the green tourism products in Hong Kong in 2015-16? What is the major difference as compared with last year? What are the new events or directions? What will be the specific manpower and resources involved?
2. Please provide details of the green tourism promotion projects, including the event titles, contents, organisers and dates, launched/to be launched in the past two years and in 2015-16.
3. What is the latest progress of the development of guesthouse tourism projects in Hong Kong? Please list the places and locations of all projects.

Asked by: Hon QUAT Elizabeth (Member Question No. 50)

Reply:

1. The Tourism Commission, in collaboration with the Agriculture, Fisheries and Conservation Department (AFCD), the Hong Kong Tourism Board (HKTB), the travel trade and event organisers, has been actively promoting Hong Kong's nature-based green tourism products through the HKTB's "Great Outdoors Hong Kong" platform, covering the Hong Kong Global Geopark of China (the "Geopark"), hiking trails and itineraries featuring outlying islands, etc. The HKTB has also been promoting the

city's nature landscape to visitors, international media and overseas trade partners through various channels such as digital media, marketing promotions, public relations, visitor centres, hotlines and trade activities. Detailed marketing activities are as below:

- Targeting visitors and consumers:
To promote various hiking trails and outlying islands, as well as the guided activities and green tourism products of local travel agents and other organisations through different channels, such as digital media, hiking guidebooks, visitor centres and hotlines.
- Targeting overseas media:
To arrange overseas media and online celebrities to experience Hong Kong's outlying islands and green attractions.
- Targeting overseas travel trade:
To encourage the overseas travel trade to include elements of green tourism in the itineraries of visitors, including Meetings, Incentive Travels, Conventions and Exhibitions visitors.

In 2015-16, the HKTB will continue the above-mentioned promotion work and include the element of green tourism in its promotion initiatives in source markets during key promotional windows. The total marketing budget of the HKTB, including that for the promotion of green tourism is \$352 million, of which around \$500,000 will be spent on the production of the "Great Outdoors Hong Kong" hiking guidebook. This free guidebook, which is available in hard copies for distribution to visitors and on HKTB's website for downloading, aims at deepening visitors' knowledge of Hong Kong's natural landscape and hiking trails, and enriching their in-town experience.

Meanwhile, the TC, in collaboration with the travel trade and relevant departments, has implemented the arrangement of allowing coaches to transport inbound visitors to the East Dam of the High Island Reservoir on a limited scale since June 2012 to further facilitate visitors to go to the Geopark, with a view to promoting nature-based tourists' activities.

To further promote the Geopark, in July 2014 the AFCD established a Volcano Discovery Centre (the Centre) at the Sai Kung Town. The Centre introduces volcanos and volcanic landscape formation over hundred million years ago in Hong Kong and provides one-stop registration to guided land and sea tours to the Geopark.

2. The key initiatives of HKTB's "Hong Kong Great Outdoors" promotion platform from 2013-14 to 2015-16 are summarised below:

Year	Promotion Period	Key initiatives
2013-2014	November 2013 to February 2014	The promotional window was extended to 3.5 months from 5 weeks in 2012-13. The HKTB published “Your Guide to Hiking and Cycling in Hong Kong” and organised hiking and cycling tours for visitors, in order to promote nature landscape to visitors in a more in-depth way. The HKTB also promoted guided activities and green tourism products arranged by local travel agents and other organisations.
2014-2015	November 2014 to March 2015	The promotional window was extended to approximately 5 months. The HKTB provided detailed transportation information in its “Your Guide to Hiking and Cycling in Hong Kong” to facilitate visitors to go hiking or cycling on their own and explore outdoor sites in a more convenient way. Also included in the guidebook was information about hiking trails on Tung Ping Chau, Tap Mun and Po Toi Island. The HKTB promoted guided activities and green tourism products arranged by local travel agents and other organisations
2015-16	November 2015 to March 2016	The promotional window will last for approximately 5 months. The HKTB will provide detailed transportation information in its “Your Guide to Hiking and Cycling in Hong Kong” to facilitate visitors to go hiking or cycling on their own and explore outdoor sites in a more convenient way. The HKTB also plans to update and provide more information about hiking and cycling trails. In addition, the HKTB will continue to promote guided activities and green tourism products arranged by local travel agents and other organisations

3. The Government welcomes the travel trade to put forth proposals which can further diversify our tourism offerings and enrich our visitors’ travel experience in Hong Kong. To ensure quality accommodation be provided to our visitors and to protect their safety, we consider that any tourist accommodation facilities based on the concept of “home-stay lodgings” should also be regulated as in the case of hotels and guesthouses. We do not have any information on the development of tourist accommodation facilities based on the concept of “home-stay lodgings”.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)128

(Question Serial No. 2722)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary pointed out in the Budget Speech that an additional \$80 million would be allocated for the Hong Kong Tourism Board (HKTB) to step up its promotion efforts in the coming year and the HKTB would expand the scale of overseas promotion fairs this year and waive local traders' participation fees.

1. Please tabulate the specific uses and contents of projects using the additional \$80 million allocated for the HKTB.
2. The recent charging acts continuously initiated by certain groups against Mainland visitors in Hong Kong have seriously affected the image and reputation of Hong Kong as an open and civilised international tourist destination. In this respect, the Government will provide additional resources and manpower in the coming year for taking remedial measures. Is the \$80 million allocated for the HKTB the only fundings involved? Are there any other additional fundings?
3. Please provide the total annual expenditure of the Bureau for promoting honest tourism and hospitality culture in collaboration with local stakeholders and Mainland tourism authorities in the past 3 years;
4. Please provide the titles, content, organisers, co-organisers and duration of the related promotion events launched each year;
5. How does the Government assess the effectiveness of promoting honest tourism and hospitality culture in the recent two years?

Asked by: Hon QUAT Elizabeth (Member Question No. 51)

Reply:

1. The Government will provide an additional funding of \$80 million to the Hong Kong Tourism Board (HKTB) in 2015-16 for strengthening the image of Hong Kong as a premier tourist destination. The HKTB plans to use the additional funding for conducting a series of targeted promotions in major short-haul markets (such as Taiwan, South Korea and various Southeast Asian countries) from April to December 2015, including:

Activity	Estimated costs (\$)
Stepping up overseas media publicity and promotions	20 million
Organising promotion campaigns in two phases, including organising shopping festivals, offering merchandise concessions and electronic discount coupons for visitors in collaboration with the retail industry; advertising and publicising these promotions in the overseas markets	55 million
Arranging large-scale familiarisation tours for overseas travel trade	2.5 million
Expanding the scale of overseas promotion fairs this year and waiving local traders' participation fees	2.5 million

- 2-4. The recent incidents of harassment of tourists have damaged the reputation of Hong Kong as a leading tourist destination. They have affected the operations of some shops in the tourist area. They have also disrupted Hong Kong's public order. Hong Kong is Asia's world city and welcomes visitors from around the world coming here on business or for sight-seeing. We believe Hong Kong people are rational and will continue to extend our warm welcome to tourists from different places, and to ensure a pleasant experience for them during their stay.

The Tourism Commission (TC) under the Commerce, Industry and Tourism Branch (CITB) of the Commerce and Economic Development Bureau is responsible for promoting honest tourism and hospitality culture in collaboration with local stakeholders and Mainland tourism authorities. The projects include strengthening promotion of "Quality and Honest Hong Kong" (Q&H) tours to Mainland consumers via online platforms, consumer promotions and the media by the HKTB. The expenditure of the TC on such work is subsumed into the provision for CITB each year. It is difficult to quantify such expenditure separately.

The HKTB has all along been promoting honest tours and a hospitable culture in Hong Kong through different channels and initiatives. Regarding the former, the HKTB has been promoting "Q&H" tours with the China National Tourism Administration through setting up designated counters to offer tours to Hong Kong. As at end-2013, the number of counters of the scheme, both online and in shops, was 58. Following the implementation of the China Tourism Law on 1 October 2013, which brought forth clear guidelines and requirements on the quality of tourism products, the HKTB has begun to work with Mainland travel agencies offering quality tours to roll out seasonal quality Hong Kong tourism products.

As for promoting a hospitable culture, the HKTB has been taking part in the Hong Kong Young Ambassador Scheme organised by the Tourism Commission and the Hong Kong Federation of Youth Group. In addition to providing the young ambassadors with training and instilling in them the importance of being hospitable to visitors, the HKTB has invited members from the travel trade to join the scheme and arranged for the young ambassadors to station at various tourist hotspots and facilities during weekends and holidays to help promote Hong Kong and provide travel information. The HKTB also encourages the retail, catering and visitor accommodation operators to provide quality services to visitors through the Quality Tourism Services Scheme.

The above work is carried out jointly by various HKTB departments both at the Head Office and the Mainland Offices, and it is difficult to quantify relevant expenditure separately.

5. The HKTB conducts the Visitor Departing Survey regularly at major ports-of-entry to gain a better understanding of visitors' satisfaction with their trips in Hong Kong. According to results of the survey, the satisfaction levels for both Mainland visitors and global visitors in 2014 were both 8.2 (out of 10 points). In addition, the HKTB visitor centres and hotline handle visitors' enquiries and complaints. The number of complaints received from Mainland visitors on group tours in 2014 dropped by 7.5% year on year.

We will continue to ensure the effectiveness of efforts in promoting honest tourism and hospitality culture through regular communication with local stakeholders and Mainland tourism authorities.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)129

(Question Serial No. 2723)

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

Subhead (No. & title): (-) -

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Please provide the subjects and contents of the "in-depth studies" that the Consumer Council (the Council) planned to carry out in 2014-15, and the estimated expenditure and manpower involved. Will the Council's relevant studies or "consumer surveys" in the coming year cover topics relating to consumers' rights or the Trade Descriptions Ordinance?
2. Please provide the balance of the Consumer Legal Action Fund of the Council as at the end of 2014, and the contents, amounts of funds involved and final results of the claim cases handled with the assistance of the Fund in the past 3 years.

Asked by: Hon QUAT Elizabeth (Member Question No. 53)

Reply:

1. In-depth studies by the Consumer Council (CC) are comprehensive studies on products, services and prices in addition to product tests and surveys. While in-depth studies do not usually involve purchasing a lot of test samples, they usually require relatively more manpower resources in collecting and analysing the relevant data. Since the manpower and expenses involved in conducting in-depth studies have been included in the establishment of and provision for the CC, it is difficult to quantify separately.

The topics of in-depth studies and consumer surveys to be conducted in 2015-16 are yet to be confirmed, and may be adjusted depending on the latest market developments.

The subjects and contents of the in-depth studies carried out by the CC in 2014-15 included - Electronic Cigarettes; Laundry Services and Clothing Care Labelling; Drugs for Cirrhosis; Drugs for Herpes Zoster; Vibration Platforms for Exercise; Labelling of

Prepackaged Fresh Food Produce; Drugs for Alleviating Indigestion; Wooden Furniture Suppliers' Corporate Social Responsibility; BB Creams and CC Creams; Infant Carriers; Supermarket Price Labelling; Post-natal Care Services; Halloween Toys and Costumes; Analgesic Patches; Drugs for Allergy; Recycling of Second-hand Clothes and Accessories (Collaborative Consumption); Treatments for Autistic Children; Fire Safety Products; Incontinence and Care Products; International Telephone Call Services; Study on the First-hand Residential Property Market; Report on the Study of Electricity Development; and Outbound Package Tours Without Tour Escort.

2. As at 31 December 2014, the balance of the Consumer Legal Action Fund (CLAF) was about \$14.89 million. In 2012-13, 2013-14 and 2014-15 (up to end February 2015), the CLAF provided assistance to 6 cases, with particulars as follows -

2012-13

- **Purchase of an old model private vehicle:** The assisted consumer claimed that the salesperson of a car dealer concerned had made false representations in the course of selling a vehicle. The assisted consumer settled the case with the defendant car dealer. The CLAF did not need to pay fees for engaging external lawyers.
- **Purchase of beauty services under the pretext of a spokesperson campaign:** The assisted consumer claimed that the beauty services provider concerned repeatedly engaged in unscrupulous sales tactics involving misrepresentation and high pressure sales. The case is being processed. The CLAF has not yet needed to pay fees for engaging external lawyers.

2013-14

- **Lehman-related financial product:** The assisted consumers claimed that the bank officer concerned had made false or misleading representations regarding the nature and potential risks of an Equity Linked Note, and that the bank officer concerned had failed to conduct a risk assessment for them before they purchased the note. They also doubted the accuracy of the outcome of the risk assessment. The assisted consumers settled the case with the defendant bank. The CLAF paid fees of around \$140,000 for engaging external lawyers.
- **Management company of a housing estate charging a fee of 3% headquarters and professional staff cost:** The assisted consumers claimed that the management company of the housing estate concerned had charged a fee of 3% headquarters and professional staff cost in the absence of their knowledge and consent. They cast doubt on certain questions including whether the management company was entitled to such a fee, how the charging rate was fixed and how it could be proved that the fee was spent on the housing estate. The case is being processed. As at end February 2015, the CLAF has paid fees of around \$100,000 for engaging external lawyers.
- **Time-sharing scheme:** The assisted consumer claimed that he was induced to enter into a time sharing membership scheme by misleading and unscrupulous sales tactics. The court made a judgement in favour of the assisted consumer in January 2015. The court considered the contract unconscionable and declared that it was to be rescinded, and ordered the defendant company to refund to the assisted consumer the

money paid together with interest. The CLAF paid fees of around \$70,000 for engaging external lawyers.

2014-15 (up to end February 2015)

- **Home renovation service:** The assisted consumer claimed that the renovation company concerned had misrepresented that the renovation works and furniture provided would be chemical smell-free, and she was induced to enter into relevant contracts. The assisted consumer requested for the termination of the contracts and a refund of the money paid. The case is being processed. The CLAF has not yet needed to pay fees for engaging external lawyers.

The operation of the CLAF also involves other administrative costs, but it is difficult to quantify the costs in individual cases.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)130

(Question Serial No. 2724)

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

Subhead (No. & title): (-) -

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

(a) the number of prosecutions initiated by the Bureau under the Trade Descriptions Ordinance (false trade descriptions), the number of successful convictions, the nature and categories of the cases concerned as well as the prices/charges of the commodities/services involved over the past 3 years;

(b) the number of cases requiring investigation by the Bureau into false trade descriptions and mis-statements on Internet trading platforms, the number of prosecutions and successful convictions, the nature and categories of these cases as well as the prices/charges of the commodities/services involved over the past 3 years;

(c) the number of complaints the Bureau received in tackling unfair trade practices that had been deployed in consumer transactions, the number of investigations, the number of successful convictions as well as the categories and details of the offences since the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 came into operation in 2013.

Asked by: Hon Elizabeth QUAT (Member Question No. 53)

Reply:

(a) The number of prosecutions and successful convictions, the nature and categories of the cases concerned, and the values of goods/services involved in the successful convictions initiated by the Customs and Excise Department (C&ED) in respect of false trade descriptions (FTD) and other unfair trade practices under the Trade Descriptions Ordinance (the Ordinance) in the past 3 years are as follows -

Year	2012		2013		2014	
	FTD (Note 1)	Others (Note 2)	FTD (Note 3)	Others (Note 4)	FTD (Note 3)	Others (Note 4)
Nature and category of cases concerned						
Number of prosecutions	77	2	57	0	67	7
Number of successful convictions	75	2	55	0	67	5
Values of goods/services involved in successful convictions	About \$9.58 million	About \$0.15 million	About \$7.56 million	-	About \$4.43 million	About \$0.19 million

(b) The number of investigations, prosecutions and successful convictions, the nature and categories of the cases concerned, and the values of goods involved in successful convictions initiated by C&ED in respect of FTD (covering mis-statements) on Internet trading platforms in the past 3 years are as follows -

Year	2012	2013	2014
	FTD (Note 1)	FTD (Note 3)	FTD (Note 3)
Nature and category of cases concerned			
Number of investigations	18	55	38
Number of prosecutions	1	0	2
Number of successful convictions	1	0	2
Values of goods involved in successful convictions	\$51,104	-	\$15,873

(c) Since the implementation of the amended the Ordinance on 19 July 2013, as at 28 February 2015, C&ED received 9 174 complaints on UTP. C&ED has, upon preliminary examination of 3 964 complaints, found no contravention of the Ordinance and closed the cases. For another 820 complaints, although evidence of breaching the Ordinance was not found, C&ED has reminded the traders of the need to comply with the relevant provisions of the Ordinance. Besides, C&ED has launched detailed investigation into 4 072 complaints. These 4 072 complaints, together with the cases proactively developed by C&ED, were consolidated into 1 252 detailed investigation cases (more than one complaint might be involved in certain cases). 1 159 of these investigation cases have been completed. Among them, C&ED has issued warning or advisory letters to the owners and sales staff concerned in 175 cases, urging them to comply with the statutory requirements. C&ED has applied to the court for the forfeiture of the goods seized in 6 other cases without instituting prosecution. Besides, C&ED has instituted prosecution of another 99 cases. With the written consent of the Secretary for Justice, C&ED has

accepted the traders' written undertakings of ceasing the trade conduct concerned in 7 other cases.

From 19 July 2013 to 28 February 2015, the Office of the Communications Authority (OFCA) has received 1 432 complaints. OFCA has, upon preliminary examination of 1 122 complaints, found no contravention of the Ordinance and closed the cases. For another 82 complaints, although evidence of breaching the Ordinance was not found, OFCA has reminded the traders to comply with the statutory requirements. OFCA is reviewing the remaining 228 complaints. OFCA has not initiated prosecution or accepted undertakings from traders so far.

(Note 1) : Offences covered by section 7 of the Ordinance.

(Note 2) : Offences covered by sections 13A, 13B and 13C of the Ordinance before amendment on 19 July 2013.

(Note 3) : Offences covered by section 7 of the Ordinance and section 7A of the Ordinance amended as from 19 July 2013.

(Note 4) : Offences covered by sections 13E to 13I of the Ordinance amended as from 19 July 2013.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)131

(Question Serial No. 2726)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. On tourism facilities, please list the projects carried out/to be carried out by the Government to develop new tourist attractions and facilities and to enhance the existing ones, and their respective expenditures and manpower involved for the past 3 years as well as 2015-16.
2. Please list in detail the specific projects which the Government plans to carry out to develop new tourist attractions and facilities in each of the 18 districts.
3. Please list the tourist-related activities organised/to be organised by the Government through the Mega Events Fund and the Hong Kong Tourism Board, and their respective contents, amounts involved, number of participants and number of jobs created for the past 3 years as well as 2015-16.

Asked by: Hon QUAT Elizabeth (Member Question No. 55)

Reply:

- 1.& 2. The Government has been carrying out tourism development to further enhance Hong Kong's capacity to receive tourists and its tourism appeal. In the past 3 years, the Enhancement of Footbridges in Tsim Sha Tsui East was completed. The projects in progress and under planning include the Aberdeen Tourism Project and the Lei Yue Mun Waterfront Enhancement Project. In 2015-16, the two major theme parks in Hong Kong will continue to roll out new projects and we will continue the development of the Kai Tak Cruise Terminal. The expenditure and details involved in these projects in the past 3 years and 2015-16 are set out below:

<u>Major Tourism District</u>	<u>Improvement programme</u>
Tsim Sha Tsui	<ul style="list-style-type: none"> The project for Enhancement of Footbridges in Tsim Sha Tsui East was completed in August 2013. The project aimed to enhance the two existing footbridges across Mody Road and Salisbury Road in Tsim Sha Tsui East including refurbishment of the footbridges, replacement of the original ramps with lifts, and associated works such as re-paving of footpaths. The total expenditure for the project was about \$71.4 million.
Southern	<ul style="list-style-type: none"> The Ocean Park completed the Master Redevelopment Plan (MRP) in mid-2012. Major attractions newly introduced included ‘Aqua City’, ‘Rainforest’, ‘Thrill Mountain’ and ‘Polar Adventure’. Total cost of the MRP amounted to around \$5.55 billion. The Government loan and the commercial loan guaranteed by the Government each contributed to one-fourth of the total cost respectively. Besides, the Ocean Park has embarked on developing an all-weather indoor cum outdoor waterpark at Tai Shue Wan. The estimated capital cost of the project is \$2.29 billion and is supported by Government loan. Meanwhile, the construction works of the Park’s first hotel, namely Hong Kong Ocean Park Marriott Hotel, has also commenced. These two development projects are expected to be completed by 2017. In addition, the Ocean Park has issued the invitation for expression of interest (EOI) for the Fisherman’s Wharf Hotel development project. Subject to the EOI results, the Ocean Park will conduct the re-tender for the hotel development concerned. The hotel projects of the Ocean Park will be undertaken by the successful tenderers and there is no need for the Government to bear the cost. The scope of the Aberdeen Tourism Project being implemented includes the improvement works for the promenade on both sides of the Aberdeen Harbour as well as Ap Lei Chau Main Street and adjacent streets, with the theme of a traditional fishermen’s village. The Project has been substantially completed with an estimated total expenditure of \$288.1 million.

<u>Major Tourism District</u>	<u>Improvement programme</u>
Kowloon City	<ul style="list-style-type: none"> The Kai Tak Cruise Terminal (“KTCT”) was officially commissioned in mid-2013, its second berth also came into operation in 2014. The KTCT has attracted international cruise companies to deploy large cruise ships to Hong Kong. It enriches our travel product offerings and enhances the overall competitiveness of our cruise tourism industry. It also helps appeal more cruise passengers with high spending power to visit Hong Kong. The approved project estimate of the works projects is \$8.156 billion.
Lei Yue Mun, Kwun Tong	<ul style="list-style-type: none"> The scope of the Lei Yue Mun Waterfront Enhancement Project includes the construction of a public landing facility, a breakwater and a waterfront promenade; the provision of several lookout points and streetscape improvement works along the footpath linking up the lookout points; as well as the construction of a new viewing platform, etc. We are working on the required statutory procedures for gazettal of the project works under the Foreshore and Seabed (Reclamations) Ordinance. We are yet to confirm the timetable for the implementation of the project. As the project is still at the planning stage, there is no expenditure to be incurred in 2015-16.
Tsuen Wan and Islands	<ul style="list-style-type: none"> The Hong Kong Disneyland has on-going and completed expansion works in the past 3 years and in 2015-16. Further to the opening of “Grizzly Gulch” and “Mystic Point” in 2012 and 2013, and the launch of the new night time parade “Disney Paint the Night” in October 2014, the Hong Kong Disneyland will continue to launch a series of new initiatives, including the 10th Anniversary Celebration later this year, a new themed area based on Marvel’s Iron Man franchise by the end of 2016, and a new 750-room hotel with a theme dedicated to the spirit of exploration in early 2017. The Government has also commenced discussions on the Phase 2 development of the Hong Kong Disneyland Resort with The Walt Disney Company. The Government will provide a loan of no greater than \$808.5 million to Hong Kong Disneyland to support the development of the new hotel.

The staffing of the above projects has been subsumed into the establishment of the Commerce, Industry and Tourism Branch of this Bureau for 2012-13 to 2015-16, and it is difficult to quantify the amount separately.

Besides, the Government, through the Hong Kong Tourism Board (HKTB), actively encourages visitors to explore various districts in Hong Kong so as to bring visitors to and generate visitor spending in different areas, thus increasing the overall economic benefits brought about by tourism. In recent years, the HKTB has been promoting different themed walking tours featuring attractions of various districts through the Internet, social media, mobile applications using the augmented reality technology, guidebooks, etc.

To make better use of the tourism resources of various districts, and encourage visitors to gain a more in-depth and comprehensive understanding of the characteristics and cultures of different areas in Hong Kong, the HKTB launched the “Insider’s Guide” in 2014-15. Available on the HKTB website and as a mobile application, the “Insider’s Guide” highlights the key attractions, histories, local cultures, delicacies and shopping hotspots in various districts and features sharing by local residents with a view to attracting visitors to explore these districts for an in-depth experience of Hong Kong’s local culture. The “Insider’s Guide” currently covers 9 districts, namely Eastern District, Kwun Tong, Wong Tai Sin, Sham Shui Po, Kowloon City, Sai Kung, Tsuen Wan, Yuen Long and the Islands. In 2015-16, the scope of the Guide will be extended to cover other districts so as to encourage visitors to explore the cultures and characteristics of different areas in Hong Kong.

In addition, the HKTB will continue to leverage the “New Tour Product Development Scheme” to motivate the travel trade to develop new and attractive themed tours to encourage visitors to explore and spend in various districts in Hong Kong. As at end-2014, a total of 17 tour products has been subsidised by the scheme. These include tours featuring unique experiences in some districts, such as the “Sham Shui Po Foodie Tour” which takes visitors to taste local delicacies, the “Six Senses Heritage Experience” featuring cycling in Yuen Long and a big bowl feast in a walled village, and the “Tai O Eco Tour”, an experience of the simple life in an old fishing village. In 2015-16, the HKTB will continue to run this scheme to encourage the travel trade to be creative and make the best use of the tourism resources of various districts in Hong Kong.

3. The details of the Mega Events Fund (MEF) supported events in 2012-13, 2013-14 and 2014-15 are as follows:

Project title	Nature	Date of event	Funding ceiling ^{Note 1}	Reported number of participants	Reported number of jobs involved
2012-13					
Hong Kong Dragon Boat Carnival 2012	Traditional cultural activity with sports element	2-8 July 2012	\$6.5 million	435 593	667
UBS Hong Kong Open Championship 2012	Professional international golf tournament	15-18 November 2012	\$15 million	40 341	364
Dragon and Lion Dance Extravaganza 2013	Traditional cultural activity	1 January 2013	\$1.4 million	70 000	3 649
Hong Kong Well-wishing Festival 2013	Traditional cultural activity	10-23 February 2013	\$2.5 million	265 032	285
2013-14					
Hong Kong Dragon Boat Carnival 2013	Traditional cultural activity with sports element	21-23 June 2013	\$5.3 million	233 844	308
Manchester United Asia Tour 2013 (Hong Kong Leg)	Soccer exhibition match	29 July 2013	\$8 million	39 728	605
Dragon and Lion Dance Extravaganza 2014	Traditional cultural activity	1 January 2014	\$1.5 million	65 000	1 376
2014-15					
Hong Kong Dragon Boat Carnival 2014	Traditional cultural activity with sports element	6-8 June 2014	\$5.5 million	166 304	553

Note 1: The basic funding principle of the MEF is that the total Government contribution (including the MEF funding) must not exceed 50% of the total cost of the event.

For 2015-16, the Government is processing the fourth-round applications under the MEF Tier-2 scheme and expects that a total of two to three rounds of applications could be launched in the year. In light of the above, it is expected that more mega events will be receiving funding support from the MEF. The number of mega events receiving the MEF's funding support, as well as their respective nature and funding amount, etc., will depend on the number of actual applications received and how many of them would pass the assessment.

In addition, the HKTB has been promoting mega events in Hong Kong to enhance the city's image as the events capital of Asia through large-scale promotions. The mega events organised by the HKTB, the related promotions, the numbers of participants and the details in the past 3 years and in 2015-16 are as follows:

Mega event	Details	Number of participants
Hong Kong Cultural Celebrations	Bundling and promoting four traditional festivals, namely the birthday celebrations of Tin Hau, the Buddha and Tam Kung and the Cheung Chau Bun Festival, to visitors and local residents so that they can experience the festivities and traditions of Hong Kong; and encouraging the travel trade to roll out related travel packages.	This mega event encourages visitors to take part in activities scattered in different districts, so it is difficult to count the number of participants.
Hong Kong Summer Spectacular	Promoting to visitors shopping offers, attractions, programmes of shopping malls, and highlight events like the Hong Kong Book Fair and concerts so as to showcase the diverse activities in the summer of Hong Kong.	It is difficult to count the total number of participants of the activities in various districts throughout the promotional period.
Hong Kong Dragon Boat Carnival	Staged in Tsim Sha Tsui East, the event features dragon boat races, a beer garden and music performances to enrich visitors' travel experience.	2012: 435 593 2013: 233 844 2014: 166 304 2015: estimated to be about 160 000

Mega event	Details	Number of participants
Hong Kong Mid-Autumn Festival	The HKTB staged the “Lantern Wonderland”, featuring a large-scale lantern installation, in the Victoria Park in 2012 and 2013. During the promotional period, the HKTB promoted to visitors the major celebratory activities in different districts, encouraging them to experience the festive culture of Hong Kong.	Number of participants of the “Lantern Wonderland”: 2012: About 430 000 2013: About 560 000 It is difficult to count the number of participants of activities in various districts throughout the promotional period.
Hong Kong Cyclothon (first edition will be staged in 2015)	The HKTB will stage this event for the first time in 2015. It will include two major components, namely cycling races and a carnival. The races will feature a number of racing categories for visitors and local residents to take part in.	Estimated to be about 20 000
Hong Kong Halloween Treats	Promoting the Halloween activities organised by major attractions, dining districts and shopping malls.	This mega event encourages visitors to take part in activities scattered in different districts, so it is difficult to count the number of participants.

Mega event	Details	Number of participants
<p>Hong Kong Wine and Dine Month (including the Hong Kong Wine and Dine Festival)</p>	<p>Hong Kong Wine and Dine Month, lasting for an entire month, highlights the culinary and wine activities and dining offers rolled out by key dining districts and the catering trade. As the highlight of Hong Kong Wine and Dine Month, the Hong Kong Wine and Dine Festival, with hundreds of wine and food booths and stage performances, invites the participation of both visitors and local residents.</p>	<p>It is difficult to count the total number of participants of Hong Kong Wine and Dine Month, since it encourages visitors to explore in different districts. The number of participants of the Hong Kong Wine and Dine Festival, which was staged in different venues in the past few years, is as follows:</p> <p>2012 (staged at the West Kowloon Waterfront Promenade): about 190 000</p> <p>2013 (staged at the New Central Harbourfront): about 140 000</p> <p>2014 (staged at the runway of the former Kai Tak Airport): about 180 000</p> <p>2015 (to be staged at the New Central Harbourfront): estimated to be about 140 000</p>
<p>Great Outdoors Hong Kong</p>	<p>Promoting to visitors Hong Kong's natural scenery, including the Hong Kong Global Geopark of China, hiking trails and other green attractions, through channels such as guidebooks and digital media. The HKTB will also promote guided activities and green tour products rolled out by local travel agents and other organisations.</p>	<p>This event encourages visitors to explore different districts, so it is difficult to count the number of participants.</p>

Mega event	Details	Number of participants
<p>Hong Kong WinterFest (including the Hong Kong Countdown Celebrations)</p>	<p>Promoting the festive ambience and special winter features in the city, including Christmas lights and decorations and major festive activities, including the Hong Kong Countdown Celebrations organised by the HKTB for the public to enjoy on both sides of the Victoria Harbour.</p>	<p>The number of participants of Hong Kong WinterFest in different districts throughout the promotional period is difficult to evaluate.</p> <p>The number of participants of the Hong Kong Countdown Celebrations is as follows: 2012: About 320 000 2013: About 380 000 2014: About 340 000 2015: estimated to exceed 300 000</p>
<p>Hong Kong Chinese New Year Celebrations</p>	<p>Mainly featuring the International Chinese New Year Night Parade organised by the HKTB on the first evening of the Chinese New Year and promoting to visitors major celebratory activities throughout the Chinese New Year, such as flower markets and the fireworks display.</p>	<p>It is difficult to count the number of participants of the celebratory activities in different districts throughout the promotional period.</p> <p>The number of participants of the International Chinese New Year Night Parade is as follows: 2013: About 120 000 2014: About 150 000 2015: About 150 000 2016: estimated to be about 150 000</p>

Mega event	Details	Number of participants
Hong Kong Pulse 3D Light Show	<p>Organised for the first time in 2014, the show consists of 3 rounds running until March 2015, covering the HKTB's Hong Kong Wine and Dine Month, Hong Kong WinterFest and Hong Kong Chinese New Year Celebrations promotions.</p> <p>Staged on the façade of the Hong Kong Cultural Centre and the Clock Tower, the show features 3D mapping technology, which projects vibrant images to showcase Hong Kong's vibrancy and enhance the night views of the Victoria Harbour. In 2015-16, the HKTB will continue to launch the show during a number of HKTB's mega events.</p>	<p>The first 2 rounds (lasting for 32 days) attracted a total of over 400 000 spectators. The number of spectators for the third round is still under compilation and not available at this stage.</p> <p>2015-16: estimated to be over 500 000</p>

The HKTB's expenditure for the above events in the past 3 years and in 2015-16 is as follows:

Mega event	Expenditure for staging the event (\$ million)			
	2012-2013	2013-2014	2014-2015 (Revised estimates)	2015-2016 (estimates)
Hong Kong Cultural Celebrations	0.7	0.6	0.2	0.2
Hong Kong Summer Spectacular	0.5	0.2	Supported by commercial sponsorship	4
Hong Kong Dragon Boat Carnival	23.9	19.4	20.4	20.4

Mega event	Expenditure for staging the event (\$ million)			
	2012-2013	2013-2014	2014-2015 (Revised estimates)	2015-2016 (estimates)
Hong Kong Mid-Autumn Festival	5.5	4.5	Not applicable	Not applicable
Hong Kong Cyclothon (new event in 2015)	Not applicable	Not applicable	1 ^{Note 2}	13
Hong Kong Halloween Treats	Since the promotions were/are carried out by different departments at the HKTB Head Office and various Worldwide Offices, it is difficult to offer a breakdown of the expenditure.			
Hong Kong Wine and Dine Month	33	39	45.7	40.4
Great Outdoors Hong Kong	0.5	0.8	0.5	0.5
Hong Kong WinterFest (including Hong Kong Countdown Celebrations)	11.2	16.8	16	17
Hong Kong Chinese New Year Celebrations	20	21	20.9	21.1
Hong Kong Pulse 3D Light Show	Not applicable	Not applicable	25	25

Note 2: The Hong Kong Cyclothon was originally planned to be staged in 2014, but the event was cancelled owing to the OccupyMovement. The HKTB incurred \$1 million for hiring a consultant company and contractor to carry out the initial preparatory work of the event in 2014, such as evaluation of the event's impact on public traffic and professional advice on the event's arrangements. Part of such initial preparatory work will still be useful to the 2015 Hong Kong Cyclothon.

The HKTB's main objective of organising mega events is to enhance visitors' incentive to visit Hong Kong during different times of the year and to enrich their experience in Hong Kong. When organising mega events, the HKTB hires contractors for different services, such as production, venue decoration, security and cleansing, through tendering procedures. As the staff members responsible for these tasks are hired by the contractors, the number of jobs created for the events is not available.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)132

(Question Serial No. 2727)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary pointed out in the Budget Speech that he had asked relevant departments to consider introducing Food Trucks, which is popular abroad, to the mix of Hong Kong's existing food scene. Please state in detail the content, timetable and the related manpower and financial resources to be involved in the proposal concerned.

Asked by: Hon QUAT Elizabeth (Member Question No. 56)

Reply:

Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation, food safety and environmental hygiene, etc. with a view to bringing in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea, Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required.

Relevant bureaux and departments will conduct the above study with existing resources. No additional expenses and manpower will be incurred.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)133

(Question Serial No. 2729)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the following information in relation to Hong Kong Wetland Park:

- (a) The respective numbers of visitors, ticket prices, ticket sales and percentages in the maximum designed capacity over the past 3 years;
- (b) The months with the highest and the lowest numbers of visitors over the past years;
- (c) The types/names of specific visits or performances organised each year and the respective total expenditure involved over the past 3 years;
- (d) The respective maintenance and depreciation expenses incurred over the past 3 years;
- (e) The respective income and expenditure, as well as the net balance over the past 3 years; and
- (f) The development plans for 2015 and the following two years.

Asked by: Hon QUAT Elizabeth (Member Question No. 57)

Reply:

1. The numbers of visitors, ticket prices and ticket sales for the Hong Kong Wetland Park (HKWP) over the past 3 years are as follows:

Year	Number of visitors	Ticket prices	Ticketing sales (\$ million)
2012-13	494 380	Standard:\$30 Concession:\$15	9.9
2013-14	438 083	Ditto	8.6
2014-15 (revised estimate)	460 000	Ditto	9.2

The HKWP comprises a 60-hectare outdoor Wetland Reserve and a 10 000 m² indoor Visitor Centre. While the maximum daily designed capacity for the indoor Visitor Centre is 3 500, no capacity is set for the outdoor Wetland Reserve.

- Since the opening of HKWP in May 2006, the highest number of visitors was recorded in November 2006 (147 273 visitors) and the lowest in September 2009 (19 139 visitors).
- The special/thematic events organised by the HKWP over the past 3 years are as follows:

Year	Special/thematic events
2012-13	Blossoms on Wetland Bouncy Wetlands Easter Family Fun Days Bird Watching Festival
2013-14	Flying Beauties Horseshoe Crab Fortnight Bird Watching Festival
2014-15	The Amazing Wetlands Bird Watching Festival

The total expenditure involved is about \$1.8 million per annum.

- The respective maintenance and depreciation expenses incurred by the HKWP over the past 3 years are as follows:

Year	Maintenance and depreciation expenses (\$ million)
2012-13	24.2
2013-14	24.9
2014-15 (revised estimate)	24.9

5. The respective income and expenditure, as well as the net balance of the HKWP over the past 3 years are as follows:

Year	Total revenue (\$ million)	Total expenditure (\$ million)	Net balance (\$ million)
2012-13	11.1	47.6	- 36.5
2013-14	9.8	48.9	- 39.1
2014-15 (revised estimate)	10.4	51.7	- 41.3

6. In 2015, the HKWP will organise special/thematic events such as Easter Family Fun Days, The Miracles of Fruits and Seeds and Bird Watching Festival. More efforts will be made to promote these events through both conventional channels (e.g. advertising on television, posters and flyers) and the electronic media (e.g. online, social media). Opportunities will also be explored to develop more educational programmes that fit in the New Secondary School syllabus and to line up with tour operators for organising study tours from overseas to the Park. In the coming years, the HKWP will continue to enhance its visitor facilities and exhibits, and review its development strategy from time to time with a view to reinforcing its primary role in wetland conservation and education, while serving as an attractive eco-tourism destination for both local and overseas visitors.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)134

(Question Serial No. 2733)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. The Bureau “continued with the drafting of the new legislation and other preparatory work for the establishment of the proposed statutory Travel Industry Authority (TIA) under the new regulatory framework of the tourism sector.” Please state the progress as well as the resources and manpower involved/to be involved in the past year and the coming financial year for the establishment of the proposed independent TIA.
2. What is the specific timetable expected for the upcoming establishment of the TIA?

Asked by: Hon QUAT Elizabeth (Member Question No. 60)

Reply:

- (1) – (2) The Government announced in end-2011 to establish the Travel Industry Authority (TIA) to take over the current regulatory and licensing functions of the Travel Industry Council of Hong Kong (TIC) and the Travel Agents Registry. Targets of regulation include travel agents, tour escorts and tourist guides. During the past year, we continued to discuss with the travel trade some of the detailed arrangements and the future role of the TIC. We are carrying out the drafting of the legislation for the establishment of the TIA and implementation of a new regulatory framework for the tourism sector, with a view to securing the passage of the bill by the end of the current term of the Legislative Council.

The Tourism Commission (TC) under the Commerce, Industry and Tourism Branch (CITB) of the Commerce and Economic Development Bureau is responsible for the preparation work for the establishment of the TIA. The expenditure on such work has been subsumed into the provisions for 2014-15 and 2015-16 for CITB. It is difficult to quantify such expenditure separately. Apart from the Commissioner for Tourism and other staff in the TC who are responsible for such work, the Secretary for Commerce and Economic Development and the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) also supervise this work.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)135

(Question Serial No. 0081)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In paragraph 86 of the Budget Speech, the Government will consider introducing Food Trucks, which is popular abroad. The Financial Secretary expressed that these Food Trucks will put food hawkers under regulation. Indeed, food safety and hygienic condition will be monitored under licensing system, yet the operation model of Food Trucks will push up the operation cost of food hawkers. Food Trucks operators also need to apply not only hawking license but also driving license. Under such circumstances, how will the Government ensure that such proposal will actually allow individuals to participate in such business model instead of being monopolized by catering companies? In addition, Food Trucks are popular abroad because of the abundance of space and crowds. Yet, Hong Kong is lacking such space while our busy traffic might not provide sufficient space for the survival of these Food Trucks. How will the Government make it viable for these trucks operating on our roads, instead of some designated sites? If these trucks were only allowed to operate at some designated sites, then what is the difference of these Food Trucks from normal food stores?

Asked by: Hon SHEK Lai-him, Abraham (Member Question No. 3)

Reply:

Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation

(including types of operator and locations of operation etc.), food safety and environmental hygiene, etc. with a view to bringing in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea, Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)136

(Question Serial No. 0119)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In paragraph 83 of the Budget Speech, the Government mentions that it will discuss with the Walt Disney Company the Phase 2 development of the Hong Kong Disneyland Resort. This phase will cover an estimated area of 60 hectares, similar to that of Phase 1, with attractions, hotel development and retail facilities. It was reported that the Disneyland in Shanghai will be opened in the first half of 2016. How will the Administration adjust its tourism policy so as to support the development of the Hong Kong Disneyland Resort? How will it help in attracting more overseas visitors to Hong Kong in order to help the continued development of the Resort? Furthermore, it is reported that Hong Kong Disneyland Resort will only seek to attract tourists from the Philippines, India and other South East Asian Countries. Yet, there are also a huge number of Japanese Disney fans continue to visit Hong Kong Disneyland Resort since 2005. Will Hong Kong Tourism Board assist Hong Kong Disneyland Resort to promote in Japan and Korea? If yes, of the details; if no, of the reasons.

Asked by: Hon SHEK Lai-him, Abraham (Member Question No. 5)

Reply:

The Government is committed to continuously investing in tourism infrastructure of Hong Kong so as to attract more high-spending visitors and extend visitors' length of stay. As the majority shareholder of the Hong Kong Disneyland Resort ("HKDL"), the Government has been working in conjunction with the other shareholder, The Walt Disney Company ("TWDC"), to maintain the attractiveness of the resort in the region. Further to the launch of the new night time parade "Disney Paint` the Night" in October 2014, the HKDL will continue to launch a series of new initiatives, including the 10th Anniversary Celebration later this year, a new themed area based on Marvel's Iron Man franchise by the end of 2016,

and a new 750-room hotel with a theme dedicated to the spirit of exploration in early 2017. The Government has also commenced discussions on the Phase 2 development of the HKDL with TWDC.

The HKDL has been carrying out marketing and sales promotion in all three key markets (i.e. the local, Mainland and international markets) through various channels, and has participated in many overseas promotion events organised by the Hong Kong Tourism Board (“HKTB”). For instance, in January 2015, the HKDL joined the HKTB’s publicity campaign in Tokyo targeting the travel trade and media. A Japanese version of the HKDL website will be launched in this year. In Korea, the HKDL has appointed a local sales representative to provide dedicated support to the travel trade in order to promote the resort.

The HKDL will continue to work closely with the HKTB on promotion in the international market. The HKTB will also promote the resort’s appeal and latest facilities to the international media, visitors and travel trade through channels including public relations, visitor centres, promotional materials, digital marketing and trade events.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)137

(Question Serial No. 3371)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the support for the further development of wine-related businesses in Hong Kong, will the Government advise of the following:

1. Are there any support measures this year which will be different from last year's. If yes, what are the details? If no, what are the reasons?
2. The expenditure incurred for supporting the businesses.
3. Are there any standards in relation to "the further development of wine-related businesses"? If yes, what are the details? If no, what are the reasons?

Asked by: Hon SHEK Lai-him, Abraham (Member Question No. 66)

Reply:

1. In comparison with last year, we will in particular strengthen our efforts in the following areas in 2015-16 to support wine-related businesses –
 - (a) trade and investment promotion: apart from the work of relevant local agencies, the external offices of the Government and the Trade Development Council will further assist the industry in capitalising on potential markets on the Mainland as well as those in the region. In addition, a project supported by the BUD Fund (Organisation Support Programme) will promote on the Mainland our role as a regional wine trading hub;

- (b) clearance facilitation: the Customs and Excise Department will step up promotion of the customs facilitation scheme for wine entering the Mainland through Hong Kong, which has been enhanced since September 2014. The scheme enables wine consignments to get instant customs clearance on arrival at designated Mainland ports; and
 - (c) manpower training and education: apart from courses run by different institutes, we will assist the industry and the Vocational Training Council to explore the launching of other wine-related courses that satisfy the industry's needs.
2. The work arising from the implementation of the above measures is being carried out through re-deployment of existing resources. The related expenditure is subsumed under the establishment of and provision for this Branch. It is difficult to quantify such expenditure separately.
 3. There has been substantial development in wine-related businesses since the removal by the Government of the wine duty in 2008. The total value of wine imports into Hong Kong in 2014 nearly tripled that of 2008. Further development of wine-related businesses will depend on the market situation, which we will closely monitor.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)138

(Question Serial No. 3372)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On promoting honest and quality tourism, would the Bureau please advise on the following?

1. Are there any statistics on complaints lodged and reports made to the Police by Mainland tour group visitors regarding the itinerary or alleged coerced shopping in the past 3 years? If yes, what are the details? If no, what are the reasons?
2. Will there be any specific measures this year to attract more overseas quality inbound tourists? If yes, what are the details? If no, what are the reasons?

Asked by: Hon SHEK Lai-him, Abraham (Member Question No. 70)

Reply:

1. Under the current two-tier regulatory regime of the tourism sector, the Travel Industry Council of Hong Kong (TIC) is responsible for trade self-regulation, including putting in place a mechanism to handle travellers' complaints against Hong Kong travel agents and tourist guides. The respective numbers of complaints received by the TIC from the Mainland inbound tour group visitors on arrangement of itineraries and coerced shopping during the past 3 years are as follows:

	2012	2013	2014
Arrangement of itineraries	3	9	4
Coerced shopping	113	131	142

The TIC does not have information regarding Mainland visitors seeking assistance from the Police.

2. In 2015-16, the Hong Kong Tourism Board (HKTB) will continue to actively attract high-yield and overnight visitors. The marketing budget that the HKTB will allocate to the visitor source markets is close to \$167 million, which will be used entirely for attracting overnight visitors. Of this budget, 76% will be invested in the international markets, while the remaining 24% will be invested in the Mainland market, with the bulk going to non-Guangdong areas to attract overnight visitors.

In addition, the HKTB will continue to promote MICE tourism to draw high-yield visitors. Through strengthening collaboration with professional associations and MICE event organisers, and providing MICE organisers and visitors with attractive and customised services and offers, the HKTB will strive to bring more MICE events and high-yield visitors to Hong Kong

For driving cruise tourism development, one of the HKTB's key strategies is to raise the city's profile as Asia's cruise hub at large-scale international industry events. The HKTB will step up consumer promotion and market cruise itineraries to consumers who are looking for leisure and fashionable experiences, through public relations initiatives, digital marketing and other channels in order to attract more high-spending cruise visitors to Hong Kong. Target markets include Southern China, Taiwan, India and Southeast Asia.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)139

(Question Serial No. 2843)

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

Subhead (No. & title): (-) -

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

International crude oil prices have plunged 50% over the past 9 months, yet the petrol prices posted by local oil companies have not come down correspondingly. For this reason, the Consumer Council has accused the oil companies of making quick upward adjustments but slow downward adjustments. In the light of the implementation progress of the Competition Ordinance (Cap. 619), please provide the following information:

- (a) How to implement the Competition Ordinance, and is there any work plan to investigate any collusive price-fixing among the oil companies?
- (b) The staffing establishment and staff cost involved in the above-mentioned work.

Asked by: Hon SIN Chung-kai (Member Question No. 42)

Reply:

Since the enactment of the Competition Ordinance (“CO”), the Government has been working in collaboration with the Competition Commission (“the Commission”) and the Judiciary on the preparation work for the full commencement of the CO. We will bring the CO into full operation when all relevant preparatory work is completed. Upon the full commencement of the CO, the Commission as an independent statutory body may decide whether to conduct investigation. The Commission indicated that it plans to undertake an initial study on the competition situation of the fuel industry.

The Commission’s initial study of the fuel industry will involve its own professional staff. The exact number of staff and the costs involved are not known at this stage.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)140

(Question Serial No. 2844)

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

Subhead (No. & title): (-) -

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 77 of the Budget Speech that “While the strong growth of e-commerce generates business opportunities for the provision of logistics and delivery services, the prevalence of e-communication poses a challenge to traditional mail delivery business. We shall review the business operation of Hongkong Post with the objectives of enabling the department to further support the development of the logistics industry in Hong Kong and expand its service offerings in response to market needs.” In this connection, please advise:

- (a) the expenditure and market share of Hongkong Post over the past 5 financial years;
- (b) if there are any plans to reposition Hongkong Post in the coming year to tie in with the development of e-commerce. If yes, what are the estimated expenditure and the timetable?
- (c) if there are any plans to improve the operation of Hongkong Post to enhance the efficiency of postal service. If yes, what are the estimated expenditure and the timetable?

Asked by: Hon SIN Chung-kai (Member Question No. 43)

Reply:

(a) The operating expenditure of Hongkong Post (HKP) in the past five financial years is set out below:

	2009-10 (\$b)	2010-11 (\$b)	2011-12 (\$b)	2012-13 (\$b)	2013-14 (\$b)
Operating Expenditure	4.518	4.585	5.064	5.290	5.252

HKP provides a diverse range of postal and related services. We do not have information relating to the market share of HKP.

(b) With the rapid development of e-commerce, HKP has been expanding its service offerings. Examples include the local Smart Post service with an e-mail notification function and a choice between home delivery and counter collection, the international e-Express service with a tracking feature, the international iMail service for bulk posting of registered airmail, counter collection service for online purchases, as well as online posting platform to facilitate internet traders to post items, etc. HKP will continue to develop more products and services to cater for the market needs arising from the e-commerce. The relevant expenditure will be met by the Post Office Trading Fund.

(c) Due to the escalating operating costs (major costs include staff costs, air conveyance costs and terminal dues), and the fact that most principal postage rates and various postal fees had not been adjusted for years, the operating revenue of the Post Office Trading Fund could not cover the continued increase in operating costs. HKP started to incur an operating loss in 2011-12. To improve its financial sustainability, HKP has been actively pursuing various measures to generate revenue and control costs, and adjusted the principal postage rates and various postal fees in 2013. HKP's operating loss was significantly reduced to \$2.6 million in 2013-14. We expect that the financial performance would continue to improve in 2014-15.

HKP will continue to manage its costs and enhance its operational efficiency by streamlining the workflow and wider use of information technology and mechanisation. Major initiatives to be implemented in 2015-16 include: installation of the Integrated Postal Services System at all counters and back-end offices, implementation of the optical Chinese character recognition function on its mechanised letter sorting system, and development of a new mail-flow management and tracking system. The relevant expenditure will be met by the Post Office Trading Fund.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)141

(Question Serial No. 2849)

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

Subhead (No. & title): (-) -

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please set out the estimated payroll costs for the Secretary, the Under Secretary and the Political Assistant in 2015-16.

Asked by: Hon SIN Chung-kai (Member Question No. 6)

Reply:

For budgetary purposes, the provisions for the salary in respect of the positions of Secretary for Commerce and Economic Development, the Under Secretary for Commerce and Economic Development and the Political Assistant to Secretary for Commerce and Economic Development for 2015-16 are \$3.58 million, \$2.33 million and \$1.25 million respectively.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)142

(Question Serial No. 2878)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

For the financial provision for Programme (2) Commerce and Industry, the estimate of \$244.002 million for 2015-16 is higher than the revised provision in 2014-15 by 35.5%. In this connection, would the Government advise of the reasons for the increase? Please set out in detail the new items involved, the staffing establishment as well as the increased estimated expenditure.

Asked by: Hon SIN Chung-kai (Member Question No. 46)

Reply:

Provision for 2015-16 is \$64.0 million (35.5%) higher than the revised estimate for 2014-15. This is mainly due to the increased cash flow requirement for the Measures for Manpower Development of Retail Industry, increased provision for supporting the promotion of intellectual property trading, continued need to support the Economic Development Commission, and the increased estimate for the subscription to the World Trade Organization. The total estimated expenditure of the above mentioned areas of work in 2015-16 is \$116.2 million. As for the manpower involved, it has been subsumed into the 2015-16 integrated establishment of the Commerce, Industry and Tourism Branch. It is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)143

(Question Serial No. 2879)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since April 2009, residents with Shenzhen household registration may apply for “One-year Multiple-entry Endorsements” every year. Mainlanders visiting Hong Kong on “One-year Multiple-entry Endorsements” reached 14.85 million visits last year, representing a 22% increase over the 12.15 million in 2013. With the series of protests held against parallel goods traders in Hong Kong, the tightening of the “One-year Multiple-entry Endorsements” and the maximum number of visits have again become the focus of public concern. In this regard, would the Government inform this Council of:

- (a) the number of Shenzhen residents with household registration visiting Hong Kong on “One-year Multiple-entry Endorsements” and the number of such visits each year since April 2009;
- (b) the median of the number of visits to Hong Kong on “One-year Multiple-entry Endorsements” and the number of visitors making 8, 9 or 10 visits each year since April 2009;
- (c) the manpower and expenditure involved in handling “One-year Multiple-entry Endorsements” in land boundary crossings since April 2009;
- (d) the forecast growth for visits to Hong Kong on “One-year Multiple-entry Endorsements” as well as its impact on the staffing establishment and operational expenses in land boundary crossings concerned.

Asked by: Hon. SIN Chung-kai (Member Question No. 47)

Reply:

- (a) According to the statistics provided by the Immigration Department (ImmD), the number of Mainland visitor arrivals travelling on multiple-entry endorsements are set out in the table below:

	Mainland visitor arrivals travelling on multiple-entry endorsements
2009*	1 472 208
2010	4 168 010
2011	6 168 114
2012	9 827 386
2013	12 151 548
2014	14 854 506
2015 (as at end February)	2 751 062

* Multiple-entry Individual Visit Endorsements have been issued since 1 April 2009.

The ImmD does not maintain other statistics on the subject as mentioned in the question.

- (b) The data compiled by the ImmD indicates that, among Mainland visitor arrivals travelling on multiple-entry endorsements in 2014, around 96% came to Hong Kong once on the day of arrival; around 3.5% (i.e. around 1 000 persons per day) made 2 trips to Hong Kong on the day of arrival; only less than 1% of the visitors (i.e. around 30 persons per day) made 3 trips or more to Hong Kong on the day of arrival. That year there were over 14.8 million Mainland visitor arrivals travelling on multiple-entry endorsements, involving around 1.63 million visitors, i.e. on average every person travelled to Hong Kong 9.1 times a year.
- (c) As performing immigration clearance for Mainland visitor arrivals travelling on multiple-entry endorsements is integral to the regular immigration control duties of ImmD, the manpower and expenditure involved cannot be calculated and quantified separately.
- (d) ImmD will, having regard to the existing resources and operational needs, make flexible deployment of manpower and resources to handle the relevant duties.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)144

(Question Serial No. 2880)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to the Government's support for the Hong Kong Tourism Board in continuing its promotion in key source markets and marketing efforts in new markets, will the Government advise this Committee:

- (a) the number of total visitor arrivals from non-Mainland markets over the past 5 years, including a breakdown of figures by short-haul and long-haul markets;
- (b) the countries and regions that comprise the key source markets, the plans and expenditures for the promotion work in these source markets in the past 5 years, and the estimated expenditure for their promotion work for 2015-16; and
- (c) the countries and regions that comprise the new markets, plans and expenditures for the marketing efforts in these new markets in the past 5 years, and the estimated expenditure for their promotion work for 2015-16.

Asked by: Hon SIN Chung-kai (Member Question No. 48)

Reply:

- (a) The following table shows the total visitor arrivals from non-Mainland markets to Hong Kong in the past five years:

Year	Short-haul markets (million)	Long-haul markets (million)	New markets (million)
2010	8.02	4.45	0.88
2011	8.47	4.49	0.87
2012	8.47	4.42	0.81
2013	8.40	4.27	0.88
2014	8.41	4.27	0.92

- (b) & (c) In recent years, the Hong Kong Tourism Board (HKTB) has extended its promotion to 20 source markets, in order to maintain a diverse market portfolio and uphold Hong Kong's image as Asia's world city and a world-class destination. The proportion of the marketing budget allocated to international markets increased gradually from 68% in 2010-11 to 75% in 2014-15, with a view to attracting more high-yield overnight visitors.

For short-haul markets, the HKTB strives to attract the young and family segments by promoting Hong Kong's diverse mega events, food and wine offerings and shopping experience. In long-haul markets, the HKTB maintains Hong Kong's presence through public relations initiatives, use of digital and social media marketing etc. In view of the popularity of multi-destination travel among long-haul visitors, the HKTB works closely with other Mainland cities and Macau to promote multi-destination products featuring Hong Kong. In the Mainland market, the HKTB has focused its promotion in the non-Guangdong regions in recent years, with a view to raising the proportion of overnight visitors. In addition, the HKTB has actively opened up new visitor sources markets, including India, Russia, Middle East, the Netherlands and Vietnam. The main focus in these markets is to raise consumers' awareness of Hong Kong through channels like public relations, marketing, digital marketing, etc.

In 2015-16, the HKTB will continue to focus its resources on 20 key markets, which together generate over 96% of all visitor arrivals to Hong Kong. 76% of the total marketing resources for visitor source markets will be allocated to the international markets, while the remaining 24% will be invested in the Mainland market, with the bulk going to non-Guangdong areas to attract overnight arrivals.

In 2015-16, the HKTB will allocate 18% resources more than that in previous year to the short-haul markets, focusing on summer and winter promotions in key markets such as Taiwan, South Korea, Indonesia, the Philippines and Singapore. In long-haul markets, the HKTB will maintain Hong Kong's presence through public relations and digital marketing channels and focus on spring and autumn promotional windows. In addition, the HKTB will work closely with other tourism authorities in the Pearl River Delta region to promote multi-destination products featuring Hong Kong to long-haul visitors. Targeting the Mainland market, the HKTB will further expand its reach to the non-Guangdong regions, and step up promotion of visitor offers provided by the

local travel trade. As regards new markets, the HKTB will invest more resources in India, which performs relatively well. Of the resources for India, 70% will be invested in Mumbai and New Delhi, and the rest in second-tier cities with direct flights to Hong Kong so as to achieve the greatest effectiveness in promotion.

The following table shows the marketing expenditure spent in the past five years and proposed budget to be allocated in 2015-16 to various source markets:

Market	2010-11 (\$M)	2011-12 (\$M)	2012-13 (\$M)	2013-14 (\$M)	2014-15 (\$M) (revised estimates)	2015-16 (\$M) (proposed budget)
Mainland	58.9	53.2	52.9	47.3	40.0	40.0
Short-haul markets	54.3	47.6	53.8	57.9	56.7	66.5
Japan	13.1	14.2	12.4	19.4	13.2	13.5
Taiwan	19.4	11.6	16.4	11.0	11.7	12.6
South Korea	9.7	9.8	10.9	11.7	11.8	12.3
Singapore	3.5	2.8	3.5	3.6	4.3	5.5
The Philippines	3.6	3.0	2.9	3.0	3.4	7.1
Malaysia	2.7	2.9	3.5	3.0	3.9	3.9
Indonesia	0.6	1.0	1.9	3.4	4.6	7.7
Thailand	1.7	2.3	2.3	2.8	3.8	3.8
Long-haul markets	42.3	50.2	43.3	45.5	42.5	40.5
The US	15.0	17.1	15.8	18.3	15.1	15.0
Australia	10.1	9.6	10.5	10.6	10.3	9.0
The UK	6.7	12.6	6.9	7.0	7.4	6.9
Canada	4.4	4.4	3.9	3.6	3.3	3.2
Germany	3.2	3.5	3.3	3.3	3.7	3.6
France	2.9	3.0	2.9	2.7	2.8	2.8
New markets	17.7	17.7	26.1	20.1	19.6	19.6
India	9.0	9.3	10.8	8.5	10.5	13.6
Russia	6.7	4.0	6.6	5.3	4.8	3.5
Middle East	2.0	2.5	3.9	4.3	3.3	2.0
Vietnam	0	0.6	2.6	0.7	0.7	0.3
The Netherlands	0	1.3	2.2	1.3	0.2	0.2
Total marketing budget*	174.2	169.1	176.1	170.8	158.8	166.6

* Owing to rounding, the total may differ from the sum of individual figures.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)145

(Question Serial No. 2881)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On introducing the draft legislation for the establishment of the Travel Industry Authority into the Legislative Council, would the Government inform this Council of:

- (a) the estimated expenditure of this item in 2015-16;
- (b) the number and ranks of officers responsible for the draft legislation;
- (c) the specific action plan of these officers; and
- (d) the work progress or timetable of the draft legislation in 2015-16.

Asked by: Hon SIN Chung-kai (Member Question No. 49)

Reply:

- (a) – (d) The Government announced in end-2011 to establish the Travel Industry Authority (TIA) to take over the current regulatory and licensing functions of the Travel Industry Council of Hong Kong and the Travel Agents Registry. Targets of regulation include travel agents, tour escorts and tourist guides. We are carrying out the drafting of the legislation for the establishment of the TIA and implementation of a new regulatory framework for the tourism sector, with a view to securing the passage of the bill by the end of the current term of the Legislative Council.

The Tourism Commission (TC) under the Commerce, Industry and Tourism Branch (CITB) of the Commerce and Economic Development Bureau is responsible for the preparation work for the establishment of the TIA. The

expenditure on such work has been subsumed into the provision for 2015-16 for CITB. It is difficult to quantify such expenditure separately. Apart from the Commissioner for Tourism and other staff in the TC who are responsible for such work, the Secretary for Commerce and Economic Development and the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) also supervise this work.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)146

(Question Serial No. 2882)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget Speech that “We shall explore the construction of a convention centre above the Exhibition Station of the Shatin to Central Link to draw in more international business visitors.” In this connection, will the Government advise this Committee on:

- (a) the criteria to be based on when exploring the construction of the convention centre, and the relevant estimated expenditures involved; and
- (b) the usage rates of the existing Hong Kong Convention and Exhibition Centre and AsiaWorld-Expo in the past 5 years.

Asked by: Hon SIN Chung-kai (Member Question No. 50)

Reply:

- (a) In order to facilitate the long term development of the convention industry in Hong Kong, the Government will consider constructing a new convention centre above the Exhibition Station of the Shatin to Central Link upon the latter's completion around 2020, and has invited the Hong Kong Trade Development Council (HKTDC) to proceed with planning, including detailed design and relevant technical assessments, e.g. traffic impact assessment and environmental assessment. Relevant costs arising from the planning for the new convention centre will be borne by the HKTDC.
- (b) In general, the supply of convention and exhibition facilities at the Hong Kong Convention and Exhibition Centre (HKCEC) and the AsiaWorld-Expo (AWE) is tight during the purchasing peak seasons.

According to the information provided by the Hong Kong Convention and Exhibition Centre (Management) Limited, the number of days (including fair period, move-in and dismantling) that purposely-built exhibition facilities of the HKCEC reached saturation over the past five years are tabulated below:

Year	2010	2011	2012	2013	2014
Number of days that purposely-built exhibition facilities reached saturation (including fair period, move-in and dismantling)	69	68	69	65	74

According to the information provided by the AsiaWorld-Expo Management Limited, the number of days (including fair period, move-in and dismantling of exhibitions and meetings, incentive travels and conventions (MIC) events) the AWE reached saturation over the past five years are tabulated below:

Year	2010	2011	2012	2013	2014
Number of days that the AWE reached saturation (including fair period, move-in and dismantling of exhibitions and MIC events)	4	8	8	27	52

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)147

(Question Serial No. 2883)

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

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the Budget Speech, it is mentioned that "I hope the Mainland will further deepen the liberalisation measures on this basis and extend them nationwide, thereby achieving basic liberalisation of trade in services between the entire Mainland and Hong Kong by the end of this year." In this connection, would the Government please advise this Council on the following:

- (a) the Government's estimated expenditure on this task in 2015-16;
- (b) the number and rank(s) of officers undertaking the task;
- (c) the concrete work plans of the officers; and
- (d) the progress or timetable of the task in 2015-16?

Asked by: Hon SIN Chung-kai (Member Question No. 51)

Reply:

Since the Central Government announced in August 2011 the objective of achieving basic liberalisation of trade in services between the Mainland and Hong Kong by the end of the National 12th Five-Year Plan period, the Mainland and Hong Kong signed in December last year the Agreement between the Mainland and Hong Kong on Achieving Basic Liberalisation of Trade in Services in Guangdong under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) to realise early basic liberalisation of trade in services in Guangdong Province. On this basis, the HKSAR Government will continue to strive to further open up the Mainland market to Hong Kong services sectors by broadening and deepening the scope of liberalisation with a view to attaining the goal of basic liberalisation of trade in services between the Mainland and Hong Kong by the end of this year. The relevant work is in good progress and is being carried out by different

government agencies. The Commerce, Industry and Tourism Branch of Commerce and Economic Development Bureau is responsible for the overall policy on CEPA; the Trade and Industry Department (TID) oversees bilateral discussions on further liberalisation and implementation of liberalization measures under CEPA; and individual bureaux and departments deal with liberalisation and specific implementation issues in the relevant service sectors. The manpower and financial resources involved in the work are absorbed by relevant bureaux or departments. We do not have information on the actual amount.

The work is being taken up by TID's existing manpower resources. The ranks of the responsible officers range from Assistant Trade Officers to Director-General of Trade and Industry.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)148

(Question Serial No. 2884)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government mentioned in the Budget Speech that “we shall also work with the Guangdong and Macao authorities to promote multi-destination tourism for overseas visitors.” In this respect, would the Government inform this Council of:

- (a) the estimated expenditure of the work in 2015-16;
- (b) the number and ranks of officers responsible for the work;
- (c) the specific action plan of these officers; and
- (d) the progress or timetable of the work in 2015-16.

Asked by: Hon SIN Chung-kai (Member Question No. 52)

Reply:

The Tourism Commission (TC) under the Commerce, Industry and Tourism Branch (CITB) of the Commerce and Economic Development Bureau will support the Hong Kong Tourism Board (HKTB) in continuing its promotion of multi-destination itineraries in key source markets and marketing efforts in new markets as well as non-Guangdong provinces of the Mainland.

The expenditure and estimates of the TC on such work have been subsumed into the provision for the CITB each year. It is difficult to quantify such expenditure separately. Apart from the Commissioner for Tourism (CT) and other staff in the TC who are responsible for such work, the Secretary for Commerce and Economic Development and the

Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) also supervise this work.

The HKTB will include elements of multi-destination travel in its promotions in visitor sources markets, aligning with major promotional periods. The related promotional expenditure has been included in the total promotional expenditure for 2015-16. The estimated budget for developing and promoting multi-destination travel is \$2.8 million, which will mainly be used for strengthening collaboration with destinations in the Pearl River Delta region to promote the diverse tourism experiences offered by Hong Kong, Macau and Guangdong Province to overseas consumers as well as related multi-destination products, with a view to consolidating Hong Kong's position as the travel hub in the region.

The HKTB's promotions on multi-destination travel are mainly planned and executed by 3 staff members of the Trade Services team based in the Head Office, including 1 Manager, 1 Assistant Manager and 1 Senior Executive. They are responsible for liaison with related parties on joint promotions, and are also responsible for other trade marketing affairs in addition to multi-destination promotions. Some of the HKTB's staff members based in its Worldwide Offices also work with the Mainland and overseas travel trade to develop multi-destination products featuring Hong Kong. Since these staff members are also responsible for other duties, it is difficult to state the exact number of HKTB staff members who are responsible for promoting multi-destination travel.

In 2015-16, the HKTB will continue to join hands with Guangdong Province and Macau to promote the tourism brands of the 3 destinations through the "Guangdong, Hong Kong & Macau Tourism Marketing Organisation". It will also promote multi-destination itineraries in major visitor source markets with various Mainland cities and Macau. Co-ops include:

Date	Co-op	Partnering organisation
May 2015	Promote Hong Kong, Guangdong Province and Macau to the MICE delegates at IMEX in Germany through advertising	<i>Guangdong Provincial Tourism Administration (GDPTA) & the Macau Government Tourist Office (MGTO)</i>
June-July 2015	Stimulate the sales of tour products featuring Shenzhen, Hong Kong and Macau in India through strategic advertising	Shenzhen Municipal Bureau of Culture, Sports and Tourism (SMBCST) & MGTO
August 2015	Stimulate the sales of tour products featuring Hong Kong and Shenzhen through consumer promotions in Singapore	SMBCST
September 2015	Promote multi-destination travel in Hong Kong, Guangdong Province and Macau by setting up a joint booth at the China (Guangdong) International Tourism Industry Expo	<i>GDPTA & MGTO</i>

Date	Co-op	Partnering organisation
October 2015	Promote Hong Kong, Guangdong Province and Macau to the MICE delegates at IMEX in the US through advertising	<i>GDPTA & MGTO</i>
November 2015	Promote Hong Kong, Guangdong Province and Macau at the Macau International Travel (Industry) Expo through billboards advertising multi-destination travel to the 3 destinations	<i>GDPTA & MGTO</i>
2015 (exact month to be confirmed)	Collaborate with famous chef from the UK Ching-He Huang to produce a travel and food programme called “East meets East – The best of Asian food with Ching-He Huang” in Hong Kong, Guangdong Province and Macau	<i>GDPTA & MGTO</i>
	Organise a familiarisation tour for the Indian travel trade to experience the latest itinerary featuring Hong Kong, Shenzhen and Macau	SMBCST & MGTO
	Organise a familiarisation tour for the Southeast Asian travel trade or media to experience the latest tourism developments in Hong Kong, Guangdong Province and Macau	<i>GDPTA & MGTO</i>
	Promote multi-destination travel to Hong Kong, Guangdong Province and Macau through strategic advertising in Indonesia	<i>GDPTA & MGTO</i>
February 2016	Promote latest tourism appeals of Hong Kong, Shenzhen and Macau through a joint booth at a trade fair in India	SMBCST & MGTO

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)149

(Question Serial No. 2885)

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

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the Budget Speech, it is mentioned that “we are exploring a closer economic partnership arrangement with Macao. Such arrangement, coupled with those already signed respectively by Hong Kong and Macao with the Mainland, will constitute a new economic and trade co-operation platform for the region.” In this connection, would the Government please advise this Committee on the following:

- (a) the Government's estimated expenditure on this task in 2015-16;
- (b) the number and rank(s) of officers undertaking the task;
- (c) the specific work plans of the officers; and
- (d) the progress or timetable of the task in 2015-16?

Asked by: Hon SIN Chung-kai (Member Question No. 53)

Reply:

The exploration of a closer economic partnership arrangement between Hong Kong and Macao is still at an initial stage. We are currently discussing with Macao the scope of the arrangement, and hope to commence formal negotiation as soon as possible after completing the relevant preparatory work.

The above is part of the overall work on commercial relations. Ranks of officials involved range from Secretary in the Bureau to Assistant Trade Officer in the Trade and Industry Department (TID). The relevant expenditure has been subsumed under the overall estimated expenditure for commercial relations work and is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)150

(Question Serial No. 2887)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will continue to provide secretariat services and relevant support to the Economic Development Commission. In this connection, please advise this Committee on the following:

- (a) the estimated expenditure to be incurred for this task in 2015-16;
- (b) the number and rank(s) of officers undertaking this task;
- (c) the specific work plans of the officers concerned; and
- (d) the schedule or timetable of this task in 2015-16.

Asked by: Hon SIN Chung-kai (Member Question No. 55)

Reply:

Secretariat support for the Economic Development Commission (EDC) and two of its Working Groups (namely the Working Group on Convention and Exhibition Industries and Tourism and the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries) is provided by the Commerce and Economic Development Bureau. The relevant work is handled by existing manpower and an additional Senior Administrative Officer post (involving an annual additional expenditure of about \$1.22 million) created in April 2013. Other expenditure involved in providing the secretariat support is absorbed by this Bureau's existing resources. It is difficult to quantify it separately. Secretariat support for the EDC's other two Working Groups (namely the Working Group on Transportation and the Working Group on Professional Services) is provided by the Transport and Housing Bureau and the Development Bureau respectively.

Since their establishment, the EDC and its Working Groups have been in active operation and making good progress. Relevant Bureaux have been coordinating closely with the Working Groups in following up on or conducting in-depth study of the subjects with which the Working Groups are concerned. The Working Groups have progressively submitted specific recommendations on the policy and measures for supporting individual industries for the EDC's endorsement, and for the Government's consideration and implementation as appropriate.

Relevant Bureaux will continue to support the EDC and its Working Groups in considering and studying the necessary support policy and measures for industries with potential.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)151

(Question Serial No.2888)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will continue to work with the industry to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital. In this connection, please advise this Committee on the following:

- (a) the estimated expenditure to be incurred for this task in 2015-16;
- (b) the number and rank(s) of officers undertaking this task;
- (c) the specific work plans of the officers concerned; and
- (d) the schedule or timetable of this task in 2015-16.

Asked by: Hon SIN Chung-kai (Member Question No.56)

Reply:

(a)
The Hong Kong Tourism Board (HKTB) established a dedicated office, “the Meetings and Exhibitions Hong Kong” (MEHK) in 2008 to pursue the works on MICE promotion. In 2015-16, the HKTB plans to spend \$47 million on MICE promotion, including the annual additional provision of \$15 million for 3 years from 2014-15 onwards.

(b) – (d)
To attract more high-spending MICE visitors and international MICE events to Hong Kong with the aim of strengthening the image of Hong Kong as the “World’s Meeting Place”, the major relevant promotion work conducted by the HKTB in 2015-16 will include:

Meetings and incentives (M&I)

- joining hands with local partners to participate in various international trade shows to foster ties with the M&I trade members;
- strengthening connection with large-scale corporations, together with airlines and major venue operators in Hong Kong to provide M&I organizers and visitors with special hospitality services and offers;
- motivating travel agents to promote Hong Kong as the ideal destination for M&I trips to their corporate clients through an award programme;
- stepping up promotion efforts in targeting private enterprises in the Mainland; and
- organizing road shows, together with the local travel trade and key attractions, in various Indian cities to promote special products for M&I visitors.

Conventions

- focusing resources on the European and American markets and targeting six strategic sectors (i.e. medical science, social science, science, technology, engineering, and commerce) in bidding for large-scale conventions and reputable small and medium-sized conventions;
- leveraging industry events such as IMEX as outreach platforms in Europe and the US to engage key associations and conference organizers;
- forming strategic partnerships with professional associations and professional conference organizers in Europe and the US, as well as persuading them to stage their large-scale conferences and small-sized business conferences but with recurrent nature in Hong Kong; and
- strengthening the connection between associations in the Mainland and their corresponding local chapters in Hong Kong, and organizing familiarization trips for associations headquartered in big cities like Beijing and Shanghai to gain a better understanding of Hong Kong's competitive edge as a MICE destination.

Exhibitions

- showcasing Hong Kong's edge at international industry events, together with key partners from the local exhibition sector; and
- assisting organizers in marketing their events and working with the travel trade to provide exhibition visitors with customized travel packages, special offers and hospitality support to enrich their experience, with a view to retaining recurrent events and attracting new ones.

The HKTB will continue to make good use of the relevant provision so as to bring more international MICE events and high-spending MICE visitors to Hong Kong. On the staff establishment front, the existing staff establishment of MEHK is 28 in total with 13 of them at manager level or above.

As for the staff establishment of the Tourism Commission under the Commerce, Industry and Tourism Branch for handling MICE tourism-related matters, it has been subsumed into the establishment of the Commerce, Industry and Tourism Branch for 2015-16. It is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)152

(Question Serial No. 3140)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will carry on the study on the future development of Government Electronic Trading Services ("GETS"). In this regard, will the Government advise this Committee of:

- (a) the studies conducted by the Government on GETS and the expenditure involved;
- (b) the number and rank of officials responsible for GETS;
- (c) the estimated expenditure on GETS for 2015-16;
- (d) the detailed work plan for GETS for 2015-16; and
- (e) the progress and timetable for GETS for 2015-16?

Asked by: Hon SIN Chung-kai (Member Question No. 57)

Reply:

- (a)-(b) The study in question, undertaken by a consultant, commenced in 2014-15. The expenditure involved in 2014-15 is about \$2.4 million. This Branch co-ordinates and monitors the study. As the manpower required is subsumed into the establishment of this Branch, it is difficult to quantify it separately.
- (c)-(e) The estimated expenditure of the study in 2015-16 is \$6.6 million. The consultant will continue to examine how to develop our existing "Government Electronic Trading Services", which receives a number of trade submissions, into a trade "single window". That will provide one-stop service for the trade to submit import / export documents to the Government, facilitating trade declaration and customs clearance. Subject to progress, our target is to complete the study in 2015-16.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)153

(Question Serial No. 4046)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the Budget Speech, the Administration stated that "We are examining how best to further streamline departments' handling of import/export documents. The provision of one-stop customs clearance service through a "Single Window" will closely follow mainstream international development." Regarding this, will the Administration advise this Committee on the following:

- (a) The estimated expenditure for the work in 2015-16;
- (b) Number and rank of officers responsible for the work;
- (c) Specific action plan of the officers; and
- (d) The progress or timetable of the work in 2015-16?

Asked by: Hon SIN Chung-kai (Member Question No. 63)

Reply:

The study in question, undertaken by a consultant, commenced in September 2014. It examines how to develop our existing "Government Electronic Trading Services", which receives a number of trade submissions, into a trade "single window". That will provide one-stop service for the trade to submit import / export documents to the Government, facilitating trade declaration and customs clearance. The estimated expenditure of the study in 2015-16 is \$6.6 million. This Branch co-ordinates and monitors the study. As the manpower required is subsumed into the establishment of this Branch, it is difficult to quantify it separately.

The consultant has been approaching the trading and logistics sector, and taking stock of the local situation and overseas experience. Subject to progress, our target is to complete the study in 2015-16.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)154

(Question Serial No. 4047)

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

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government mentioned in the Budget Speech that “the burgeoning of internet banking, electronic payment instruments and e-cheques in recent years has spurred the development of e-commerce. With regard to cross-border trade, the Government will explore with the industries the feasibility of promoting the use of electronic letters of credit to reduce cost”. In this connection, will the Government advise this Committee of:

- (a) the expenditure to be incurred by the Government in exploring with the industries the feasibility of promoting the use of electronic letters of credit in the coming year; and
- (b) the number of officers undertaking this task and their ranks?

Asked by: Hon SIN Chung-kai (Member Question No. 64)

Reply:

On exploring the feasibility of promoting the use of electronic letters of credit, the expenditure and manpower required have been subsumed into the provision for and establishment of the Commerce, Industry and Tourism Branch. It is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)155

(Question Serial No. 0927)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In Matters Requiring Special Attention in 2015-16 under this Programme, it is mentioned that the Government will “introduce the draft legislation for the establishment of the Travel Industry Authority (TIA) into the Legislative Council (LegCo)”. In this connection, will the Government advise this Council of the following:

- (a) The respective numbers of the targets of regulation, i.e. local tour escorts (TEs) and tourist guides (TGs) holding a Pass and those holding both a TE Pass and a TG Pass at the same time, in the past year;
- (b) The number of cases in which a person was found to have taken on the additional job of TG without a valid TG Pass, and the details of travel agents having been penalised for hiring those TGs in the past year. How will the Government monitor the situation to ensure that all TGs are TG Pass holders?
- (c) The number of complaint cases received on outbound tours not having a TE in the past year. Is there any plan to require outbound tours to have a TE for the safety of travellers? If yes, what are the details? If no, what are the reasons; and
- (d) When is the aforesaid draft legislation expected to be introduced into the LegCo, and is there a specific timetable?

Asked by: Hon TANG Ka-piu (Member Question No. 4)

Reply:

- (a) The respective numbers of holders of valid Tour Escort (TE) Pass and Tourist Guide (TG) Pass issued by the Travel Industry Council of Hong Kong (TIC) and holders of

both valid Passes concurrently in the past year (as at 31 December 2014) are as follows —

	<u>2014</u>
Number of valid TE Pass holders	19 357
Number of valid TG Pass holders	6 726
Number of holders having both valid TE Pass and TG Pass concurrently ^{Note}	3 163

Note : The figure includes only holders having both TE and TG Passes as at 31 December 2014 and that such persons are still holding valid TE Passes and TG Passes now (6 March 2015).

- (b) At present, the TIC has stipulated in its directives that all TGs assigned by travel agents to receive visitors to Hong Kong must have a valid TG Pass issued by the TIC. According to the “Demerit System for Mainland Tour Reception Services: Members” implemented by the TIC with effect from 1 February 2011, travel agents which, after that date, assigned TGs whose TG Passes have expired or were suspended/TGs who did not have TG Passes to receive visitors to Hong Kong, will be fined as well as given demerit points. The TIC will verify if travel agents have observed the concerned rules when conducting inspections on the operation of inbound tours. Besides, the TIC requires travel agents to state clearly the name and TG Pass number of the concerned TG in the Tour Confirmation Agreements registered with the TIC and the itineraries distributed to visitors. The TIC also requires registered shops to verify the identity and record the information of every TG who takes tour groups to the shops, so as to facilitate the TIC’s regulatory work. In 2014, the TIC handled 2 cases in which a person was found to have taken on the job of TG without a valid TG Pass. The travel agents concerned were found to have breached the regulations of the TIC. One of the travel agents was fined and given demerit points, while the other travel agent was fined.

After the establishment of the Travel Industry Authority (TIA), TGs and TEs must apply for licences issued by the TIA. The TIA will require all TGs and TEs employed by travel agents to be holders of valid licences. Detailed rules and regulations under the new regulatory framework will have to be worked out after the establishment of the TIA, taking into account market needs at the time and the views of various stakeholders including travellers, tourism practitioners and trade operators.

- (c) In 2014, the TIC received 2 complaint cases on outbound tours not having a TE, which accounted for only around 0.3% of the total complaints from outbound travellers in the same year. This is not a high ratio. The Tourism Commission and the Travel Agents Registry did not receive any complaints in this respect during the same period. Among the complaint cases handled by the TIC, no violation of rules was involved and no case was required to be submitted to the Consumer Relations Committee under the TIC for consideration. In fact, there is already a TIC directive requiring travel agents to clearly make known to consumers about the accompanying escort arrangement before consumers sign up for a tour, so that they can make a suitable choice. To protect the safety of travellers, travel agents in general will arrange other

staff such as local TGs to take care of tour group members in outbound tours without an accompanying TE. Tour group members will also be provided with the telephone numbers of more than one local staff as far as possible so that they could be given prompt assistance when in need.

Whether or not to require outbound tours to have a TE under the new regulatory regime in future involves consideration from various perspectives, including the public, consumers, TEs, travel agents, etc. It will have to be worked out after the establishment of the TIA, taking into account market needs at the time and the views of various stakeholders.

- (d) We are carrying out the drafting of the legislation for the establishment of the TIA and implementation of a new regulatory framework for the tourism sector, with a view to securing the passage of the bill by the end of the current term of the Legislative Council.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)156

(Question Serial No. 0928)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in "Matters Requiring Special Attention in 2015-16" under the programme, the Government will continue to co-ordinate with the Hong Kong Tourism Board, the trade and relevant training institutions to facilitate the supply of talents for tourism sectors. In this regard, would the Government inform this Committee of:

- a. the measures to be taken to facilitate the supply of talents for tourism sectors; whether these measures, amongst others, will encourage the trade to rationalise the employment relationship of practitioners and improve their remunerations so as to encourage more talents to join in;
- b. the supporting measures to be taken by the Government for the occupational safety and retirement protection of local tour guides so as to facilitate the supply of talents for tourism sectors; and
- c. the measures to be taken for upgrading the quality and conduct of tour guides through training which will fully support the new arrangement after the establishment of the Travel Industry Authority in which tour leaders and tour guides are required to complete training programmes prior to taking the qualification examination.

Asked by: Hon TANG Ka-piu (Member Question No. 5)

Reply:

- a. Regarding the supply and training of travel practitioners, higher education institutions funded by the University Grants Committee (UGC) enjoy autonomy in the allocation of overall student numbers to individual disciplines. UGC-funded institutions are free to plan the number of intakes for a vast majority of programmes, including those

related to hotel and tourism management, in accordance with their development strategies and market needs. At present, 2 UGC-funded institutions, namely the Hong Kong Polytechnic University and the Chinese University of Hong Kong, offer publicly-funded undergraduate programmes in hotel and tourism management. The total intake places offered by these 2 UGC-funded institutions in 2015-16 academic year will be 269.

Apart from UGC-funded institutions, the Vocational Training Council, the Caritas Institute of Higher Education and many other self-financing post-secondary institutions are also offering local and non-local programmes at different academic levels in related disciplines to support the development of our hotel and tourism sectors.

To assist the training of the required manpower of the cruise tourism trade, various training institutes, including the Hong Kong College of Technology, the Hong Kong Travel and Tourism Training Centre, as well as the Travel Industry Council of Hong Kong (TIC) have been progressively providing many cruise tourism-related training courses such as the “Foundation Certificate in Cruise Travel Knowledge (Part-time)”, “Certificate in Practical Skills in Cruise Travel (Part-time)” and “Cruise Selling Training Course”, etc.

The operation of the tourism industry is subject to seasonal fluctuation. Travel agents need to engage more part-time or self-employed tourist guides in peak seasons to provide service, while many tourist guides work for several travel agents to increase job opportunities. It is uncommon for tourist guide to work for and be employed full time by 1 travel agent.

The Government is always concerned about the remuneration of frontline staff in the tourism industry. One of the 10 measures which the TIC implemented since February 2011 is to require local receiving agents of Mainland inbound tours to remunerate the tourists guides and sign agreements with them that stipulate the agreed remuneration. This requirement applies to both travel agents’ employees or self-employed tourists guides engaged to provide service. This measure helps to ensure that the tourist guides could receive an expectable income and reduce their dependence on commission. To further strengthen protection for tourist guides, the TIC implemented another measure which prohibits receiving agents from asking tourist guides to share or advance unreasonable payment for the receiving cost.

On the other hand, the TIC had, since April 2010, studied the feasibility of, and how the trade could be benefited from, implementing the Qualifications Framework for the tourism industry. After years of discussion, the TIC had started to liaise with the Qualifications Framework Secretariat since October 2014 to draw up the strategy for promoting the Qualifications Framework. The objective is to seek consensus within the trade for establishing the Qualifications Framework for the industry of travel agents soonest possible, with a view to enhancing the professionalism and image of travel agents and trade practitioners, attracting and retaining talents as well as raising the service standard of travel agents.

- b. At present, contents of the TIC-approved tourist guides courses in general cover work skills of the tourist guides in receiving a tour, prevention of incidents and emergency handling, etc. These not only protect the safety of travellers but also help to ensure the occupational safety of tourist guides.

The existing retirement protection system in Hong Kong comprises 3 main pillars, namely, the Mandatory Provident Fund system, voluntary private savings and the non-contributory social security system. It covers employees of various sectors, including tourist guides. Retirement protection is a very important social issue. The Commission on Poverty expects that the public consultation on retirement protection would be launched in the fourth quarter of this year.

- c. Under the Tourist Guide Accreditation System implemented by the TIC from 1 July 2004, applicants for Tourist Guide Passes (TGPs) must complete the recognised training courses for tourist guides^(Note) and pass the qualifying examinations. Before every renewal of the TGPs, tourist guides must complete the 3 designated items (including seminars on professional ethics) under the Continuing Professional Development Scheme. On the other hand, under the Outbound Tour Escorts Accreditation System of the TIC, applicants for Tour Escort Passes (TEPs) must complete the Certificate Course for Outbound Tour Escorts and pass the Certificate Examination. When renewing their TEPs each time, tour escorts will be given the latest training manual for the Certificate Course for Outbound Tour Escorts as well as latest news relevant to their job. In addition, the TIC also promulgated Code of Conduct and relevant regulations for tourist guides and tour escorts to ensure that their service quality and ethics meet the required standard.

After the establishment of the Travel Industry Authority (TIA), applicants for Tourist Guide or Tour Escort Licence will be required to complete the compulsory pre-examination training courses before they can sit for a licensing examination under the new regulatory regime. Holders of current TGPs and TEPs will continue to be recognised until their existing Passes expire. When they apply for licences under the new regime, they will be required to either pass the new licensing examination or take a licensing course tailor-made for them. Reference to the existing Continuing Professional Development courses provided by the TIC for tourist guides will be made in designing the transitional licensing course.

Note: Those holding degree (bachelor, master or PhD) certificates and persons not speaking Chinese or English may study on their own and take the qualifying examination.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)157

(Question Serial No. 0939)

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

Subhead (No. & title): (-) -

Programme: (9) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Programme that the Competition Commission (the Commission) will "continue to build up the capacity of the executive arm of the Commission". Please advise this Committee on:

- a. what specific work will be carried out to "continue to build up the capacity of the executive arm of the Commission";
- b. whether the work mentioned in part (a) includes the enhancement of the Commission's capacity to investigate conduct that may contravene the competition rules; what are the manpower and expenditure to be involved; and
- c. the manpower and expenditure the Commission will put in to step up its publicity work to promote the public's understanding of and compliance with the Competition Ordinance?

Asked by: Hon TANG Ka-piu (Member Question No. 26)

Reply:

The Competition Commission ("the Commission") has been building up the capacity of its executive arm by recruiting and training staff to prepare them for implementing the Competition Ordinance ("CO").

On recruitment, the final phase has been completed. The Commission has put in place an on-going program of internal training and development which covers investigation skills, interview techniques, legal requirements, financial management, etc.. The Commission

also sponsors staff to undertake external competition-related courses and secondment to overseas competition agencies to obtain practical experience.

The training and development programme is planned and carried out mainly by the professional staff from the Commission's senior management, supported by the human resource team. In 2015-16, \$0.5 million in the Commission's estimated budget is allocated for training and development but the figure does not include staff costs or other general expenses which cannot be separately itemised.

Besides, in 2015-16, six staff members will be directly responsible for promoting the public understanding of and compliance with the CO. The senior management and professional staff will also participate by assisting with the preparation of publications and attending meetings and seminars. The Commission's estimated budget for 2015-16 earmarks \$6.5 million for publicity and public consultation activities, but the figure does not include staff costs or other general expenses which cannot be separately itemised.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)158

(Question Serial No. 0946)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It was mentioned in the Budget Speech that our tourism industry would continue moving up the value chain to attract high-spending visitors.

- a. With respect to the moving-up mentioned above, what are the measures to be taken by the Hong Kong Tourism Board for promotion?
- b. The Programme indicated that the length of stay of overnight visitors has reduced from 3.4 nights in 2013 to 3.3 nights in 2014 and 2015(Estimate). Has the Government assessed whether the situation will have adverse effect on the industry's moving up the value chain?
- c. Did the Government take any actions to improve the situation in (b)? If yes, please list out in detail the measures and the expenditure involved. If no, what are the reasons?

Asked by: Hon TANG Ka-piu (Member Question No. 13)

Reply:

- (a) In 2015-16, the Hong Kong Tourism Board (HKTB) will continue to actively attract high-yield and overnight visitors. The marketing budget that the HKTB will allocate to the visitor source markets is close to \$167 million, which will be used entirely for attracting overnight visitors. Of this budget, 76% will be invested in the international markets, while the remaining 24% will be invested in the Mainland market, with the bulk going to non-Guangdong areas to attract overnight visitors.

In addition, the HKTb will continue to promote MICE tourism to draw high-yield visitors. Through strengthening collaboration with professional associations and MICE event organisers, and providing MICE organisers and visitors with attractive and customised services and offers, the HKTb will strive to bring more MICE events and high-yield visitors to Hong Kong

For driving cruise tourism development, one of the HKTb's key strategies is to raise the city's profile as Asia's cruise hub at large-scale international industry events. The HKTb will step up consumer promotion and market cruise itineraries to consumers who are looking for leisure and fashionable experiences, through public relations initiatives, digital marketing and other channels in order to attract more high-spending cruise visitors to Hong Kong. Target markets include Southern China, Taiwan, India and Southeast Asia.

(b)&(c) The average length of stay of overnight visitors to Hong Kong in 2014 was 3.3 nights, compared to 3.4 nights in 2013. The decrease can be attributed to the decreased length of stay of Mainland visitors. Meanwhile, the average length of stay of overnight visitors from long-haul markets increased from 4.0 nights in 2013 to 4.1 nights in 2014, whereas the length of stay of overnight visitors from short-haul and new markets remained at the 2013 level.

In 2015-16, the HKTb will continue to strive to encourage visitors to explore different districts and thus increase their length of stay through a number of initiatives, such as organising and promoting local mega events, promoting the special features and cultures of different districts, and developing new and creative sightseeing tour products with the travel trade. The related initiatives are carried out by various departments of the HKTb. The HKTb's total estimated marketing budget for 2015-16 is \$352 million, which includes the budget earmarked for the above-mentioned initiatives.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)159

(Question Serial No. 0947)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Paragraph 15 of the Budget Speech mentioned about rebuilding international investors' and tourists' confidence in Hong Kong and allocating an additional \$80 million for Hong Kong Tourism Board to step up its promotion efforts in the coming year. Please inform the Committee of the following:

- a. the activities to be funded by the said allocation and their target participants as set out in a list;
- b. the standard protocol and reception arrangements for large-scale overseas trade missions on familiarisation tours to Hong Kong which are funded by the said allocation as well as the financial provision and staff arrangement required;
- c. in respect of expanding the scale of overseas promotion fairs with the said allocation, the number and venues of such overseas fairs as well as the additional expenditure incurred in waiving local traders' participation fees.

Asked by: Hon TANG Ka-piu (Member Question No. 3)

Reply:

- a. The government will provide an additional funding of \$80 million to the Hong Kong Tourism Board (HKTB) in 2015-16 for strengthening the image of Hong Kong as a premier tourist destination. The HKTB plans to use the additional funding for conducting a series of targeted promotions from April to December 2015, including:

Target	Activity
Major short-haul markets, including Taiwan, South Korea and various Southeast Asian countries.	<ul style="list-style-type: none"> ● Stepping up overseas media publicity and promotion; ● Organising promotion campaigns in two phases, including organising shopping festivals, offering merchandise concessions and electronic discount coupons for visitors in collaboration with the retail industry; advertising and publicising these promotions in the overseas markets; ● Arranging large-scale familiarisation tours for overseas travel trade; ● Expanding the scale of overseas promotion fairs this year and waiving local traders' participation fees.

- b. In 2015-16, the HKTB plans to organise two large scale familiarisation tours for the overseas travel trade. Related work will be carried out by the HKTB Head Office and Worldwide Offices. The HKTB's estimated expenditure for the above work is \$2.5 million. Initial plans are as follows:

Time	Target (expected attendance)	Activity
April to June 2015	Key trade partners from short-haul markets (about 200)	Arranging a 3 days 2 nights tour for the delegates to experience family-friendly attractions and itineraries with a view to encouraging them to develop related tour products in their markets.
July to November 2015	Key trade partners from short-haul markets (about 150)	Arranging a 4 days 3 nights tour for the delegates to take part in events like the Hong Kong Wine and Dine Festival and Hong Kong WinterFest so as to enable them to experience Hong Kong's mega events and festivities.

- c. To strengthen the effectiveness of the promotions, the HKTB plans to expand the scale of participation in these consumer fairs and overseas travel trade missions through increasing the size and enhancing the decoration of its booths, renting bigger venues, etc. To encourage the local travel trade to take part in these overseas promotions, the HKTB will waive their participation fees. In 2015-16, the HKTB's estimated expenditure for the above work is \$2.5 million. Initial plans are as follows:

(i) Consumer fairs

Time	Market
April to May 2015	Taiwan: Taichung, Kaohsiung
June 2015	South Korea: Seoul
August to September 2015	Southeast Asia: Singapore, Jakarta, Kuala Lumpur
September 2015	Japan: Tokyo
September 2015	South Korea: Busan
November 2015	Taiwan: Taipei

(ii) Overseas travel trade missions

Time	Market
November to December 2015	Southeast Asia: Manila, Jakarta

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)160

(Question Serial No. 0948)

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

Subhead (No. & title): (-) -

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Programme that the Commerce, Industry and Tourism Branch is responsible for the competition policy. Please advise this Committee on the following:

- a. in respect of the collaboration with the Judiciary and the Competition Commission to prepare for the full implementation of the Competition Ordinance (CO), the progress and details of the work;
- b. in respect of taking forward necessary subsidiary legislative proposals made under the CO as part of the preparatory work for the full implementation of the CO, the progress and timeframe of the work; and
- c. the time that the Government expects the CO will be fully implemented?

Asked by: Hon TANG Ka-piu (Member Question No. 7)

Reply:

Since the enactment of the Competition Ordinance (“CO”), the Government has been working in collaboration with the Competition Commission (“the Commission”) and the Judiciary on the preparation work for the full commencement of the CO.

The Commission conducted public consultation on the draft guidelines on the implementation of the CO from October to December 2014. The Commission is revising the draft guidelines in light of the comments received and will consult the LegCo again before finalizing the guidelines. The Commission expects to complete the work in the first half of 2015.

In respect of the making of subsidiary legislation, the Government tabled four pieces of subsidiary legislation under the CO at the LegCo on 25 February 2015, i.e. Competition (Application of Provisions) Regulation, Competition (Disapplication of Provisions) Regulation, Competition (Turnover) Regulation, and Competition Ordinance (Commencement) Notice 2015 for negative vetting. Separately, the Judiciary consulted the LegCo Panel on Administration of Justice and Legal Services on 16 February 2015 on the proposed subsidiary legislation on the procedures to be adopted by the Competition Tribunal.

We will bring the CO into full operation when all relevant preparatory work is completed. During this transitional period, the public and the business sector can familiarise themselves with the new legal requirements and make necessary adjustments to their business operations.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)161

(Question Serial No. 0955)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Estimate of the Hong Kong Tourism Board (HKTB), would the Government inform this Committee of:

- a. the specific use of the new provision under the Programme as the Estimate of the HKTB for this year is 12%, or \$29.3 million, higher than that of last year (2014-15); and
- b. the establishment, staff duties and expenditure (including staff salary and related benefits), as well as the specific salary and related benefits of management staff.

Asked by: Hon TANG Ka-piu (Member Question No. 6)

Reply:

- (a) The Government will provide an additional provision of \$80 million to the Hong Kong Tourism Board (HKTB) in 2015-16, which is 12% higher than the revised estimate for 2014-15 to strengthen the image of Hong Kong as a premier tourist destination. The HKTB plans to use this additional funding for conducting a series of targeted promotions in major short-haul markets (such as Taiwan, South Korea, and Southeast Asia). These includes:
 - (i) stepping up overseas media publicity and promotions; organising promotion campaigns in two phases, including organising shopping festivals, offering merchandise concessions and electronic discount coupons for visitors in collaboration with the retail industry, advertising and publicising these promotions in the overseas markets;

- (ii) arranging large-scale familiarisation tours for overseas travel trade;
 - (iii) expanding the scale of overseas promotion fairs this year; and
 - (iv) waiving local traders' participation fees.
- (b) In 2015-16, the total number of established posts of the HKTB is 377, with 243 at the Head Office and 134 at the Worldwide Offices. The total staff salary and related benefits (including gratuity, retirement benefits, medical benefits, and employees' insurance) are estimated to be \$240 million. The core function of the HKTB is to promote Hong Kong globally as a leading international city in Asia and a world class tourist destination.

The salaries and related benefits of the management staff (a total of 12 members, including the Executive Director, the Deputy Executive Director, General Managers, and Regional Directors) in 2014-15 are estimated to be \$32 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)162

(Question Serial No. 3757)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Census and Statistics Department said that it would continue to support more detailed analysis on small and medium enterprises (SMEs) and also the selected industries where Hong Kong enjoys clear advantages, based on data collected from the Annual Survey of Economic Activities. Will the Government advise of the following:

1. whether a review has been conducted or the relevant sectors have been consulted on ways to effectively support SMEs and industries where we enjoy clear advantages in the past 5 year; if yes, the details; if not, the reasons; and
2. the specific work plan in 2015-16 and the estimated expenditure involved.

Asked by: Hon TIEN Pei-chun, James (Member Question No. 59)

Reply:

We have all along maintained close liaison with the trade and business associations, and provided timely and adequate support in response to issues of concern to the trade. We also discuss with the trade issues affecting the development of small and medium enterprises (SMEs) in Hong Kong and support measures for SMEs through the Small and Medium Enterprises Committee. In addition, the Economic Development Commission (EDC) established in January 2013 and led personally by the Chief Executive has been exploring and identifying growth sectors or clusters of sectors which present opportunities for Hong Kong's further economic growth, with a view to recommending possible policy and other support measures for these industries. The EDC Working Groups have progressively submitted specific recommendations on the policy and measures for

supporting individual industries for the EDC's endorsement, and for the Government's consideration and implementation as appropriate.

In 2015-16, we will continue with the above work. The manpower and expenditure of the above-mentioned work have been subsumed within the establishment and provision for this Bureau and the relevant departments, and are difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)163

(Question Serial No. 1476)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 86 of the Budget that the Government will consider introducing Food Trucks, which is popular abroad, to the mix of Hong Kong's existing food scene. In this connection, will the Government inform this Committee of:

- a) whether a timetable for studying the food truck proposal has been drawn up; and the estimated time and expenditure for conducting the study;
- b) whether the potential negative impact of the proposal on air quality and road utilisation has been assessed?

Asked by: Hon TIEN Puk-sun, Michael (Member Question No. 33)

Reply:

- a – b Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation, food safety, environmental hygiene and other impacts (including impact on air quality and road utilization etc.) with a view to bringing in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea, Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required.

Relevant bureaux and departments will conduct the above study with existing resources. No additional expenses and manpower will be incurred.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)164

(Question Serial No. 1488)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to Mainland visitors to Hong Kong under the Individual Visit Scheme (IVS), please provide the respective figures in the tables below:

- (a) Mainland visitor arrivals travelling on the one-year multiple-entry Individual Visit Endorsements (“multiple-entry endorsements”)

Month	Mainland Visitor Arrivals Travelling on Multiple-Entry Endorsements
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
Total	

- (b) General Mainland visitor arrivals under the IVS (excluding those travelling on multiple-entry endorsements)

	General Mainland visit arrivals under the IVS (excluding those travelling on multiple-entry endorsements)		
	2012	2013	2014
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
Total			

- (c) Number of visitors under the IVS (“IVS visitors”) in 2014

2014	Total Number of IVS Visitors		General IVS Visitors (excluding those travelling on multiple-entry endorsements)		Visitors Travelling on multiple-entry endorsements	
	Number of Overnight Visitors	Number of Same-day Visitors	Number of Overnight Visitors	Number of Same-day Visitors	Number of Overnight Visitors	Number of Same-day Visitors

Asked by: Hon TIEN Puk-sun, Michael (Member Question No. 7)

Reply:

According to the statistics provided by the Hong Kong Tourism Board, the requested figures are set out in the tables below:

- (a) Mainland visitor arrivals travelling on the one-year multiple-entry Individual Visit Endorsements (“multiple-entry endorsements”) in 2014:

Month	Mainland Visitor Arrivals Travelling on Multiple-Entry Endorsements ('000)
January	1 420
February	910

Month	Mainland Visitor Arrivals Travelling on Multiple-Entry Endorsements ('000)
March	1 160
April	1 100
May	1 100
June	1 100
July	1 210
August	1 380
September	1 280
October	1 340
November	1 440
December	1 430
Total	14 850

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

- (b) General Mainland visitor arrivals under the IVS (excluding those travelling on multiple-entry endorsements) in 2014:

Month	General Mainland visitor arrivals under the IVS (excluding those travelling on multiple-entry endorsements) ('000)		
	2012	2013	2014
January	1 400	1 330	1 710
February	890	1 310	1 340
March	930	1 040	1 210
April	1 000	1 140	1 200
May	900	1 100	1 180
June	930	1 140	1 150
July	1 310	1 500	1 590
August	1 550	1 760	1 890
September	930	1 050	1 120
October	1 100	1 230	1 260
November	1 070	1 210	1 320
December	1 320	1 510	1 520
Total	13 310	15 310	16 480

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

(c) Number of visitors under the IVS (“IVS visitors”) in 2014:

2014	Total Number of IVS Visitors ('000)		General IVS Visitors (excluding those travelling on multiple-entry endorsements) ('000)		Visitors Travelling on multiple-entry endorsements ('000)	
	Number of Overnight Visitors	Number of Same-day Visitors	Number of Overnight Visitors	Number of Same-day Visitors	Number of Overnight Visitors	Number of Same-day Visitors
	10 390	20 950	9 180	7 300	1 200	13 650

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)165

(Question Serial No. 1489)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide in the table below information in relation to the spending of visiting tourists:

2014	Overseas Visitors		Mainland Visitors		General Visitors under the Individual Visit Scheme (Excluding Visitors Travelling on Multiple-Entry Individual Visit Endorsements)		Visitors Travelling on Multiple-Entry Individual Visit Endorsements	
	Overnight Visitors	Same-day Visitors	Overnight Visitors	Same-day Visitors	Overnight Visitors	Same-day Visitors	Overnight Visitors	Same-day Visitors
Total Spending in Hong Kong								
Per Capita Spending								

Asked by: Hon TIEN Puk-sun, Michael (Member Question No. 8)

Reply:

According to the statistics provided by the Hong Kong Tourism Board, the spending of visiting tourists is set out in the table below:

2014	Overseas Visitors		Mainland Visitors		General Visitors under the Individual Visit Scheme (Excluding Visitors Travelling on Multiple-Entry Individual Visit Endorsements)		Visitors Travelling on Multiple-Entry Individual Visit Endorsements	
	Overnight Visitors	Same-day Visitors	Overnight Visitors	Same-day Visitors	Overnight Visitors	Same-day Visitors	Overnight Visitors	Same-day Visitors
Total Spending in Hong Kong (\$billion)	55.02	3.67	166.03	76.08	81.78	27.71	5.79	32.37
Per Capita Spending (\$)	6,329	754	8,703	2,701	8,908	3,796	4,806	2,372

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)166

(Question Serial No. 1490)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide in the table below information in relation to the tourist attractions in Hong Kong for 2013-14 and 2014-15 respectively:

(If any)	Disneyland	Ocean Park	Kai Tak Cruise Terminal	Ngong Ping 360	Observation Wheel at the New Central Harbourfront
Visitor Arrivals					
Mainland Visitor Arrivals					
Overseas Visitor Arrivals					
Local Visitor Arrivals					
Visitor Per Capita Spending					
Income/Earnings					

Asked by: Hon TIEN Puk-sun, Michael (Member Question No. 9)

Reply:

The information regarding some tourist attractions in Hong Kong for 2013-14 and 2014-15 is as follows:

Hong Kong Disneyland

- For the financial year ending September 2013, Hong Kong Disneyland (“HKDL”) recorded a total attendance of 7.4 million, of which, local, mainland and international visitors accounted for 33%, 47% and 20% respectively. The total revenue was \$4,896 million.
- For the financial year ending September 2014, the HKDL recorded a total attendance of 7.5 million, of which, local, mainland and international visitors accounted for 32%, 48% and 20% respectively. The total revenue was \$5,466 million.
- The HKDL does not publicise the per capita spending of its visitors.

Ocean Park

- For the financial year ending June 2013, the Ocean Park (“OP”) recorded a total attendance of 7.7 million, with total revenue of \$1,857 million.
- For the financial year ending June 2014, the OP recorded a total attendance of 7.6 million, with total revenue of \$1,969 million.
- The OP does not publicise the composition of the visitors’ origin and their per capita spending.

Kai Tak Cruise Terminal

- From June to December 2013, the passenger throughput (arrivals and departures) of the Kai Tak Cruise Terminal (“KTCT”) was around 46 000, of which, the number of local, mainland and international visitors was 9 500, 11 000 and 25 000 respectively.
- From January to December 2014, the passenger throughput (arrivals and departures) of the KTCT was around 130 000, of which, the number of local, mainland and international visitors was 12 000, 23 000 and 96 000 respectively.
- According to the statistics of the Hong Kong Tourism Board, for 2013, the average spending of non-transit cruise passengers (i.e. those who embark or disembark a cruise ship from Hong Kong) was around \$4,700; while for transit cruise passengers, the average spending was around \$1,550.
- We do not have the average spending of cruise passengers in Hong Kong for 2014 at the moment.

Ngong Ping 360

- For the financial year ending December 2013, Ngong Ping 360 (“NP360”) recorded a total attendance of 1.65 million, of which, local, mainland as well as Macau, and international visitors accounted for 18%, 36% and 46% respectively. The total revenue was \$316 million.
- For the financial year ending December 2014, NP360 recorded a total attendance of 1.83 million, of which, local, mainland as well as Macau, and international visitors accounted for 18%, 31% and 51% respectively. The total revenue was \$375 million.
- NP360 does not publicise the per capita spending of its visitors.

This Bureau does not have information relating to the ferris wheel at the New Central Harbourfront.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)167

(Question Serial No. 1492)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 55 of the Budget Speech, the Government will invest \$500 million to promote the development of the fashion industry in Hong Kong. Will the Government advise this Committee of:

- (a) the specific plans relating to the funding of \$500 million; and
- (b) the measures implemented by the Government to support the development of the fashion industry and the expenditures involved in the past 2 years?

Asked by: Hon TIEN Puk-sun, Michael (Member Question No. 11)

Reply:

The Government will consolidate existing and invest new resources, totalling \$500 million, to launch a series of measures on a pilot basis in the next three years. These include promoting Hong Kong's fashion designers and brands through improving local fashion events and participating in those held overseas, rolling out an incubation programme for up-and-coming fashion design start-ups, providing fashion design graduates with overseas internships and study opportunities, subsidising participation in international competitions and exhibitions, and setting up an advisory body for the trade to advise on and co-ordinate the implementation of these measures.

The Government will as a first step set up the advisory body, with a view to working with the advisory body to plan and co-ordinate the details, implementation priority and resources involved of the measures.

In the past 2 years, the Hong Kong Trade Development Council (HKTDC) has promoted the development of the fashion industry through various channels, including organising trade fairs, fashion design competitions and fashion shows in Hong Kong; leading Hong Kong designers and traders to take part in Mainland and international fashion fairs; showcasing Hong Kong fashion in large-scale Mainland and overseas promotional events and fashion shows; setting up the “Small Order Zone” for the sale of fashion items and accessories; and collaborating with Mainland and overseas e-tailers to set up a special webpage under “Design Gallery” selling Hong Kong-brand fashion and accessories. The expenditure involved has been subsumed within the HKTDC’s provision, and it is difficult to quantify it separately. Create Hong Kong also provides funding support through the CreateSmart Initiative (CSI) for projects which promote fashion design, with a view to giving exposure opportunities to local up-and-coming fashion design talents and their work. In the past two years, the CSI has supported 7 fashion design-related projects, including providing sponsorship for emerging designer brands to set up showrooms during the Paris Fashion Week and Tokyo Fashion Week in 2013, and to set up showrooms during the Singapore Fashion Week in 2014. The projects involved a total funding of about \$19.93 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)168

(Question Serial No. 1923)

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

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the respective numbers of applications for holding events at the Hong Kong Convention and Exhibition Centre (HKCEC) in the past 5 years? How many of these applications are concerned with trade exhibitions? What is the number of applications for renting venues turned down owing to a shortage of space at the HKCEC? What is the amount lost? How many of these applications are concerned with trade exhibitions? How full was the HKCEC when these applications were turned down? What is the expenditure of the HKCEC on promotion in the past 3 years? What is the estimated expenditure in 2015-16?

Asked by: Hon TO Kun-sun, James (Member Question No. 27)

Reply:

According to the Hong Kong Convention and Exhibition Centre (Management) Limited (HKCEC (Management) Ltd), in the past five years (i.e. from 2010 to 2014), a total of about 19 000 applications were received for holding events at the HKCEC, among which about 200 were concerned with trade exhibitions. For the same period, a total of 84 applications for renting exhibition venues were turned down because of a shortage of space at the HKCEC, and among them 22 cases were concerned with trade exhibitions. The HKCEC also declined a total of 129 applications for conference venues due to a shortage of space. The HKCEC (Management) Ltd has not estimated the relevant economic loss of turning down individual applications.

The breakdown of applications for renting venues turned down because of shortage of space over the past five years is tabulated below:

Year	2010	2011	2012	2013	2014
Number of applications for renting exhibition venues turned down because of shortage of space (Number of applications concerned with trade exhibitions)	7 (1)	15 (4)	22 (8)	19 (6)	21 (3)
Number of applications for renting conference venues turned down due to shortage of space	25	37	27	20	20

In general, the supply of convention and exhibition facilities at the HKCEC is tight during major purchasing seasons. According to the information provided by the HKCEC (Management) Ltd, the number of days (including fair period, move-in and dismantling) that purposely-built exhibition facilities of the HKCEC reached saturation over the past five years are tabulated below:

Year	2010	2011	2012	2013	2014
Number of days that purposely-built exhibition facilities reached saturation (including fair period, move-in and dismantling)	69	68	69	65	74

We do not provide the HKCEC (Management) Ltd with funds for promoting the HKCEC.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)169

(Question Serial No. 1924)

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

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the respective numbers of applications for holding events at the AsiaWorld-Expo (AWE) in the past 5 years? How many of these applications are concerned with trade exhibitions? What is the number of applications for renting venues turned down owing to a shortage of space at the AWE? What is the amount lost? How many of these applications are concerned with trade exhibitions? How full was the AWE when these applications were turned down? What measures does the Administration have in place to promote the AWE, and what is the expenditure involved?

Asked by: Hon TO Kun-sun, James (Member Question No. 28)

Reply:

The AsiaWorld-Expo Management Limited (AWE Management Ltd) has not kept detailed statistics regarding the number of applications for holding events at the AWE and those related to trade exhibitions in the past. According to the AWE Management Ltd, overall speaking, the number of applications for renting venues is increasing in recent years. Take 2013 and 2014 as an example, the AWE Management Ltd handled over a thousand applications each year, among which, dozens were concerned with trade exhibitions.

According to the AWE Management Ltd, the AWE had not rejected any applications owing to a shortage of space from 2010 to 2012. In 2013, a total of 17 applications for renting venues were turned down because of shortage of space at the AWE, and among these 4 cases were trade exhibitions. The other 13 cases were meetings, incentives travels and conventions (MIC) events. In 2014, a total of 30 applications for renting venues were turned down because of shortage of space at the AWE, among which 17 cases were exhibitions (including 4 trade exhibitions) and 13 cases were MIC events. The AWE

Management Ltd has not estimated the relevant economic loss of turning down individual applications.

The breakdown of applications for renting venues turned down because of shortage of space over the past five years is tabulated below:

Year	2010	2011	2012	2013	2014
Number of applications for renting exhibition venues turned down because of shortage of space (Number of applications concerned with trade exhibitions)	0 (0)	0 (0)	0 (0)	4 (4)	17 (4)
Number of applications for renting MIC venues turned down due to shortage of space	0	0	0	13	13

In general, the supply of convention and exhibition facilities at the AWE is tight during peak seasons for exhibitions and MIC events. According to the information provided by the AWE Management Ltd, the number of days (including fair period, move-in and dismantling of exhibitions and MIC events) the AWE reached saturation over the past five years are tabulated below:

Year	2010	2011	2012	2013	2014
Number of days that the AWE reached saturation (including fair period, move-in and dismantling of exhibitions and MIC events)	4	8	8	27	52

The Meetings and Exhibitions Hong Kong Office under the Hong Kong Tourism Board (HKTB) has been co-operating and maintaining close liaison with the overseas and local travel trade, as well as stakeholders on Lantau Island, to promote the edges and offerings of Hong Kong's MICE tourism, including Lantau Island, in a proactive manner with a view to strengthening the brand image of Hong Kong as a preferred MICE destination in the region and attracting MICE events to be staged in different venues in Hong Kong, including the AWE.

In 2015-16, the HKTB will continue to promote Lantau Island as a MICE hub to event organisers through various channels, such as its websites, familiarisation tours for the travel trade, travel fairs, road shows in major source markets, and the rollout of special offers so as to attract event planners to choose Hong Kong (including Lantau Island) for staging their MICE events.

In 2015-16, the HKTB plans to spend \$47 million on MICE promotion, including the annual additional provision of \$15 million for three years from 2014-15 onwards. The HKTB does not have separate breakdown of expenditure for the Lantau MICE promotion.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)170

(Question Serial No. 2599)

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

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Invest Hong Kong, Hong Kong Trade Development Council and Hong Kong representation overseas, and in the Mainland and Taiwan will organise promotional activities to render the sectors affected by the occupy movement some tangible assistance, help rebuild confidence in Hong Kong, and enhance the city's image. Please advise on the following:

1. What are the details of the plan concerned?
2. What results are expected to be achieved?
3. How does the Government evaluate the effectiveness of the plan?

Asked by: Hon TONG Ka-wah, Ronny (Member Question No. 54)

Reply:

The Financial Secretary announced in the 2015-16 Budget that an additional \$26 million will be allocated to the Information Services Department (ISD) in 2015-16 to enhance Hong Kong's public relations and promotional efforts. ISD plans to allocate about \$20 million to publicity and promotion programmes outside Hong Kong. More resources will be allocated to invite overseas media and opinion leaders from around the world to visit Hong Kong, arrange more overseas visits by principal officials, and launch another round of publicity campaign for Brand Hong Kong. ISD will also make available extra resources for promotion events and activities staged by the Hong Kong Economic and Trade Offices (ETOs).

These support measures and promotion efforts will allow people overseas to learn more about our latest developments and the opportunities the city can offer, and help lift Hong Kong's profile in key markets such as the US and Europe.

In 2015-16, the Hong Kong Trade Development Council (HKTDC) will continue to organize a wide array of activities in the Mainland and overseas markets to promote Hong Kong's manufacturing and services sectors, and enhance Hong Kong's image. Flagship events to be organized by the HKTDC include "Style Hong Kong" shows in various Mainland cities (including Zhengzhou and Changchun), "SmartHK" in Jinan, "Think Asia, Think Hong Kong" in Toronto in Canada and Chicago in the US, and "In Style • HongKong" in Jakarta in Indonesia. The HKTDC will continue to organize networking and outreach events in different countries, and receive missions from the Mainland and overseas to publicize Hong Kong's business opportunities. In addition, the HKTDC will invite relevant journalists from the Mainland and overseas to visit fairs in Hong Kong and interview industry leaders, and keep them updated on Hong Kong's latest development. The HKTDC will also disseminate business information through its online "Hong Kong Means Business" vehicle. The HKTDC expects that the above-mentioned activities will help promote Hong Kong as Asia's global business platform and Asia's lifestyle trendsetter, and further enhance Hong Kong's exports.

The effectiveness of the above programmes can be assessed through the feedback from visitors as well as increased international media coverage.

On investment promotion front, Invest Hong Kong (InvestHK) will continue its investment promotion efforts in attracting overseas, Mainland and Taiwan companies to set up or expand their business in Hong Kong. Through its global network of Investment Promotion Units (IPUs) based in the overseas ETOs, the Beijing Office, the Hong Kong Economic, Trade and Cultural Office (ETCO) in Taipei as well as overseas consultants, InvestHK will continue to adopt a sector-focused approach to attract overseas, Mainland and Taiwan companies in priority sectors and industries where Hong Kong has a clear competitive edge. InvestHK will also continue to conduct investment promotion activities to encourage companies from developed markets to tap into the business opportunities in the Asia-Pacific region, using Hong Kong as a base.

For the Mainland market, InvestHK will continue to partner with the Mainland authorities to help more Mainland companies "go global", leveraging on Hong Kong as a platform. InvestHK will work closely with the Mainland counterparts to reach out to more privately-owned enterprises in fast-growth Mainland cities. InvestHK will also help provide networking opportunities to facilitate collaboration between companies on the Mainland and in Hong Kong to strengthen Mainland companies' competitiveness to go global, drawing on Hong Kong's professional services. InvestHK will continue to launch advertising programmes in the Mainland including online platforms and social media, with the focus on its one-to-one services to companies. In addition, with the support of the IPU in the ETCO in Taipei, InvestHK will continue to strengthen its promotion efforts in Taiwan, including fostering closer liaison with the Taiwan business community through investment promotion visits, meetings and events in Taipei and other cities. InvestHK will also continue to liaise with the representative offices of Taiwan business associations in Hong

Kong to enhance co-operation on investment promotion and encourage more Taiwan companies to set up in Hong Kong. InvestHK aims to further increase the target of completed projects (i.e. companies to set up or expand their business in Hong Kong) from 350 in 2014 to 370 in 2015.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)171

(Question Serial No. 3452)

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

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It was stated in the Budget that \$130 million was allocated to support the manpower development of the retail industry last year. The Earn and Learn Pilot Scheme for the Retail Industry (Pilot Scheme) run by the Vocational Training Council in collaboration with the industry was one of the programmes mentioned. Please advise this Committee on:

1. the amount of funding disbursed under the Pilot Scheme, the number of participants, the amount of subsidy for each student-worker, and the age group and year of service of the student-workers as at end-March 2014; and
2. the estimated funding required for this Pilot Scheme and the number of student-workers to be subsidised in 2015-16.

Asked by: Hon TONG Ka-wah, Ronny (Member Question No. 77)

Reply:

1. The Pilot Scheme was rolled out in September 2014, and relevant teaching facilities have also been expanded. The Government will offer each student-worker an average monthly allowance of \$2,000. As at 11 March 2015, the Government had disbursed about \$6 million, and there were 198 student-workers undertaking coursework and on-the-job training in tandem, having gained work experience under the Pilot Scheme for about half a year. The breakdown by age groups is as follows –

Age Group	No. of Student-workers
16~20	174
21~25	23
26~30	1

2. The Vocational Training Council currently plans to offer 550 additional places for the 2015/16 school year, which require funding of about \$10 million for 2015-16.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)172

(Question Serial No. 1727)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in paragraph 86 of the Budget that "Hong Kong has many locations suitable for alfresco dining where visitors can enjoy delicacies and Hong Kong's spectacular scenery at the same time" and that "have asked relevant departments to implement as early as possible the proposal to facilitate alfresco dining operation".

Given that the Cruise Terminal was packed with visitors when the Wine and Dine Festival organised there attracted an attendance of 180 000 visitors, has the Financial Secretary considered establishing an alfresco dining area and a street of bars at the Cruise Terminal, so as to "revitalise" the stagnant Terminal which was built with over \$8 billion of public funds but with no definite time of recouping the investments? If the Terminal is to be considered, has the Financial Secretary requested/asked the relevant departments (e.g. the Leisure and Cultural Services Department) to remove barriers as early as possible in order to implement the proposal?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. 28)

Reply:

On the proposal from an organisation to develop a "Bar Street" at the Kai Tak Cruise Terminal Park ("the Rooftop Garden"), our preliminary view is that it involves certain complicated factors and difficulties. In fact, the proposed conversion of some parts of the Rooftop Garden into a "Bar Street" or for additional commercial areas will reduce the recreational space available for public enjoyment. The proposal will also have implications on planning restrictions, traffic arrangements and its integration with other facilities and the neighbourhood around the Terminal. If the proposal is to be considered, it is also necessary to tap the views of the local community and consult the District Council.

There are still two available commercial premises, which are suitable for catering businesses, at the rooftop level of the Terminal building. Parties interested in setting up new restaurants at the Terminal are welcome to approach the terminal operator to explore renting these premises.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)173

(Question Serial No. 1728)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is learned that a bar business group has submitted an application to relevant Government departments for establishing "a street of bars" on the podium garden of the Kai Tak Cruise Terminal (KTCT) for some time. Yet, the Special Administrative Region Government has not given approval to the application for various reasons. Will the Financial Secretary use KTCT as a pilot point for implementing the proposal set out in paragraph 86 of the Budget and instruct relevant Government departments to seriously consider and expedite the processing of the application for creating a new landmark which is convenient to cruise visitors and attractive to residents of Kwun Tong as well as office workers of East Kowloon. If yes, what are the details? If no, what are the reasons?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. 52)

Reply:

On the proposal from an organisation to develop a "Bar Street" at the Kai Tak Cruise Terminal Park ("the Rooftop Garden"), our preliminary view is that it involves certain complicated factors and difficulties. In fact, the proposed conversion of some parts of the Rooftop Garden into a "Bar Street" or for additional commercial areas will reduce the recreational space available for public enjoyment. The proposal will also have implications on planning restrictions, traffic arrangements and its integration with other facilities and the neighbourhood around the Terminal. If the proposal is to be considered, it is also necessary to tap the views of the local community and consult the District Council.

There are still two available commercial premises, which are suitable for catering businesses, at the rooftop level of the Terminal building. Parties interested in setting up new restaurants at the Terminal are welcome to approach the terminal operator to explore renting these premises.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)174

(Question Serial No. 1732)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary recognises the importance of tourism to the Hong Kong economy in Paragraph 81 of the Budget Speech. However, this year's Budget Speech is more or less the same as that of last year. It repeats the expansion of the Disneyland and the Ocean Park. The new Central harbourfront is the only new highlight. The construction of a convention centre above the Exhibition Station of the Shatin to Central Link is yet to be explored while the sites at the "hotel belt" of the Cruise Terminal are yet to be made available to the market. It may be unconvincing and too arrogant to say that Hong Kong is a tourism capital.

The Victoria Harbour and the existing tourism resources and facilities can be better utilised and quickly developed into a new tourism circle if the Cruise Terminal is connected to the commercial building area of Kwun Tong by footbridges, a bar street is established in the Cruise Terminal and water taxi service is provided to link the Cruise Terminal with the Lei Yue Mun Seafood Market, the Hong Kong Museum of Coastal Defence in Island East, restaurants in Soho East of Lei King Wan as well as shopping areas in Central, Tsim Sha Tsui and Causeway Bay. Will the Financial Secretary consider the above proposals to increase the tourist attractions in Hong Kong? If yes, what are the details? If no, what are the reasons?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. 32)

Reply:

The Kai Tak Cruise Terminal and Kwun Tong Business Area are separated by the Kwun Tong Typhoon Shelter (KTTS). As KTTS lies within Victoria Harbour, construction of a bridge at this location is subject to the provisions of the Protection of the Harbour Ordinance. Furthermore, the public, particularly users of the KTTS, have indicated great concern over the impact of the proposed bridge link at the former runway tip on the operation of KTTS and the use of the water body. Therefore, any proposed bridge link at this location will require careful consideration through a comprehensive study. CEDD has planned to conduct a detailed feasibility study on a proposed bridge between the former runway tip near the Cruise Terminal and the Kwun Tong waterfront to serve the future Environmentally Friendly Linkage System and to provide pedestrian link. Subject to funding approval by FC, we will start the study in 2015.

On the proposal from an organisation to develop a "Bar Street" at the Kai Tak Cruise Terminal Park ("the Rooftop Garden"), our preliminary view is that it involves certain complicated factors and difficulties. In fact, the proposed conversion of some parts of the Rooftop Garden into a "Bar Street" or for additional commercial areas will reduce the recreational space available for public enjoyment. The proposal will also have implications on planning restrictions, traffic arrangements and its integration with other facilities and the neighbourhood around the Terminal. If the proposal is to be considered, it is also necessary to tap the views of the local community and consult the District Council.

On the other hand, with railway as the backbone of the existing transport system, there is a comprehensive public transport network of rail, road and waterborne transport services across the Victoria Harbour to meet the traffic and transport needs of the community. There are at present also sight-seeing tour services operated by ferry service operators in the market.

The Government notes that the nature, operation modes, berthing facilities and regulatory regimes of water taxi services in other cities are different from one another. Apart from the fact that there already exist a comprehensive public transport network and the market-driven sight-seeing ferry tour services, it is doubtful whether water taxi services are suitable to be introduced having regard to technology, operation, ability, safety and legislation considerations in Hong Kong, taking into account the uniqueness of the local environment.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)175

(Question Serial No. 1737)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Estimates that the provision for 2015-16 under this Programme is \$29.3 million (14.0%) higher than the revised estimate for 2014-15. This is mainly due to “the increased cash flow requirement for the Mega Events Fund”.

Will the Secretary for Commerce and Economic Development explain the reasons for and the specific details of the significant increase of 14% in the provision under this Programme as a result of the increased cash flow requirement for the Mega Events Fund? Will a similar situation be expected in the next Estimates?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. 39)

Reply:

The estimated provision for Programme (6) in 2015-16 is higher than the revised estimate for 2014-15 by \$29.3 million (14%). It is mainly due to the increased cashflow requirement for the Mega Events Fund (MEF) in 2015-16 to cope with the expected increase in the number of MEF-supported events as compared with 2014-15. The total anticipated increase of cash flow requirement is partly offset by the decreased provision for the ad hoc tourism promotion initiatives.

After the completion of the third-round applications under the MEF Tier-2 Scheme in 2013-14, the Government reviewed the modus operandi for the Scheme in 2014-15 in the light of the recommendations of the Audit Commission and the Legislative Council Public Accounts Committee on the operation of the MEF; and adopted a series of enhancement measures to further improve the operation of the MEF. As the fourth-round applications

could only be conducted in the fourth quarter of 2014-15 after completion of the aforesaid review, the actual cashflow requirement for the MEF in 2014-15 was less than its original estimate; and was adjusted downward from the original estimate of \$35 million to the revised estimate of \$19.93 million. This is only an exceptional case.

We expect that as 2 to 3 rounds of applications under the MEF Tier-2 Scheme will be conducted in 2015-16, the number of MEF-supported events will increase as compared with that in 2014-15. The estimate for MEF in 2015-16 is \$50.75 million, which is higher than the revised estimate for 2014-15. The actual cashflow requirement in the following year will depend on the number of successful cases in the year and their respective funding amount.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)176

(Question Serial No. 1738)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the post titles, areas of work and remuneration packages of the three posts to be created in 2015-16?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. 40)

Reply:

The details of the 3 new posts to be created under Programmes (6) in 2015-16 are as follows:

Post title	Number of post	Total salary provision (\$)	Job nature and area of work
Senior Administrative Officer (time-limited for 2 years)	1	1,222,560	To provide support to Government's discussions with The Walt Disney Company on the Phase 2 Development of the Hong Kong Disneyland Resort.
Senior Executive Officer (time-limited for 2 years)	1	896,280	
Electrical and Mechanical Engineer (time-limited for 2 years)	1	896,280	To continue to provide technical support to the daily operation of the Kai Tak Cruise Terminal.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)177

(Question Serial No. 1740)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

An additional funding of \$80 million (12%) will be allocated to the Tourism Board in 2015-16 to “strengthen the image of Hong Kong as a premier tourism destination”. How is the Tourism Board going to use the money (e.g. the promotion channels, programme details and the expenditure required)? Is it possible to set an objective performance indicator for cost-effectiveness assessment to avoid putting the cart before the horse, i.e. focusing on extravagant promotion campaigns year after year while neglecting the importance of hardware support?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. 42)

Reply:

The Government will provide an additional funding of \$80 million to the Hong Kong Tourism Board (HKTB) in 2015-16 for strengthening the image of Hong Kong as a premier tourist destination. The HKTB plans to use the additional funding for conducting a series of targeted promotions in major short-haul markets (such as Taiwan, South Korea and various Southeast Asian countries) from April to December 2015, including:

Activity	Estimated costs (\$)
Stepping up overseas media publicity and promotions	20 million
Organising promotion campaigns in two phases, including organising shopping festivals, offering merchandise concessions and electronic discount coupons for visitors in collaboration with the retail industry; advertising and publicising these promotions in the overseas markets	55 million
Arranging large-scale familiarisation tours for overseas travel trade	2.5 million
Expanding the scale of overseas promotion fairs this year and waiving local traders' participation fees	2.5 million

Through the above initiatives, the HKTB will step up promoting Hong Kong's image as a premier tourist destination and increase the city's international exposure in key short-haul markets, with a view to generating long-term benefits for Hong Kong's tourism industry. In the short run, the HKTB expects the initiative to attract visitors to do shopping in Hong Kong will help enhance short-haul visitors' desire to visit Hong Kong, stimulate visitor spending, and enrich visitor experience. The effectiveness of these promotions can be measured by various tourism performance indicators, including total visitor arrivals to Hong Kong, per capita spending of overnight visitors, and visitor satisfaction level.

The HKTB will regularly report to the Government on the progress and effectiveness of its promotions to ensure prudent use of public funds.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)178

(Question Serial No. 1741)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In terms of tourism development policy, the Budget only repeats year after year the expansion of the Disneyland and the Ocean Park, both of which are devoid of any cultural characteristics. As for the Cruise Terminal, the business is poor with few visitors and its economic benefits has been under criticism time and again. With such a few number of tourist attractions, the Hong Kong Tourism Board (HKTB) is still spending several hundred million dollars a year on tourism promotion. The effectiveness is questionable.

Will the Financial Secretary advise this Committee of the total public expenditure incurred by the HKTA in promoting Hong Kong tourism over the past 5 years? Has any consideration been given to using part of the promotional expenditure to enhance tourism support facilities so as to further facilitate the long-term development of our tourism industry? Before considering a grant of about \$750 million (including an additional provision of \$80 million) to the HKTB for 2015-16, has the Financial Secretary evaluated and in what way did he evaluate the actual benefits brought by the promotional expenditure?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. 43)

Reply:

The following table shows the expenditure of the Hong Kong Tourism Board (HKTB) on tourism promotion in the past five years:

(\$ million)	2014-15 Revised estimates	2013-14	2012-13	2011-12	2010-11
Expenditure on tourism promotion (including recurrent and additional funding from the government)	384	357	361	350	353

The aim of the subvention provided to the HKTB is to promote inbound tourism and maximise the socio-economic contribution that tourism brings to Hong Kong. To ensure prudent use of public funds, the HKTB draws up a set of indicators for measuring the effectiveness of its promotions based on its strategic focuses each year, and regularly reports to the Government on its work progress and performance.

In 2014, visitor arrivals to Hong Kong almost reached 60.84 million, 12.0% more than the previous year. Of these, overnight arrivals accounted for 27.77 million, representing a year-on-year increase of 8.2%. Overnight MICE arrivals also increased by 11.1% year-on-year to reach 1.8 million, while cruise passengers rose by 14.3% to exceed 790 000. Meanwhile, total expenditure associated with inbound tourism went up 8.7% to reach \$358.2 billion compared with 2013. The above tourism performance reflects the effectiveness of the HKTB's strategy in attracting overnight visitors.

The Government will continue to promote tourism development and further enhance Hong Kong's capacity to receive tourists and its appeal.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)179

(Question Serial No. 1742)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In Matters Requiring Special Attention in 2015–16, the Hong Kong Tourism Board (HKTB) states, inter alia, that it will promote Hong Kong tourism through DiscoverHongKong.com, YouTube and social media sites such as Facebook, Sina Weibo and WeChat, as well as mobile applications.

Will the HKTB inform this Committee of its current and next year's promotional efforts through each of the above digital media, the content and expenditure required by promotion through different media?

Has there been any evaluation on the effectiveness of the promotion through each of the above digital media? If yes, what are the evaluation results? If no, will such evaluation be done immediately?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. 44)

Reply:

In view of the ever-increasing popularity of digital media, the Hong Kong Tourism Board (HKTB) has in recent years increased the use of digital tools, including the internet, mobile applications and social media, to promote the tourism experience offered by Hong Kong. In 2015-16, the HKTB will enrich the contents of its digital platforms so that tourists can learn about Hong Kong's unique local culture and experiences more conveniently and in greater depth. Key initiatives include:

- The HKTB will continue to produce short videos with the media and online celebrities and show them on its official website and other popular digital platforms to showcase unique travel experiences offered by Hong Kong.
- The HKTB will create a new social page on its official website for visitors and Hong Kong residents to upload images and videos of Hong Kong and share their experiences in the city. It also plans to create a mobile version of its website in 2016.
- The HKTB launched “My Hong Kong Guide” in March 2014, which is a tool that allows users to make use of the internet, mobile devices and social media to plan and share their trip in Hong Kong. In 2015-16, the HKTB will enhance the content of the guide by including more information on local attractions, shops and their special offers to stimulate spending.
- The HKTB launched the “Insider’s Guide” in July 2014. Available on the HKTB website and as a mobile application, the “Insider’s Guide” highlights the key attractions, histories, local culture, delicacies and shopping hotspots in nine districts, including Eastern District, Kwun Tong, Wong Tai Sin, Sham Shui Po, Kowloon City, Sai Kung, Tsuen Wan, Yuen Long and the Islands, and features sharing by local residents living in there with a view to enticing visitors to explore these districts for an in-depth experience of Hong Kong’s local culture. In 2015-16, the “Insider’s Guide” will be extended to cover other districts as well so as to encourage visitors to explore the cultures and characteristics of different areas in Hong Kong.
- Meanwhile, the HKTB will continue to promote Hong Kong and acquire more fans on major social media, including Facebook, Weibo, Twitter and YouTube, and encourage visitors to share their experiences on these platforms.

In 2015-16, the HKTB’s estimated expenditure for digital marketing is \$59.9 million. Results of HKTB’s digital marketing efforts are as follow:

Digital media	Results (as at 28 February 2015)
Major social media (including Facebook, Sina Weibo, WeChat, Twitter, YouTube)	Total number of subscribers: 3 616 040
The mobile application “My Hong Kong Guide”	Total downloads: 70 369 (launched in March 2014)
The webpage and mobile application “Insider’s Guide”	Number of page views: 953 742 (launched in July 2014) Total downloads of mobile application: 1 508 (IOS version launched in December 2014 and Android version launched in March 2015)

Digital media	Results (as at 28 February 2015)
HKTB's official website Discover Hong Kong.com	Total number of page views in 2014: 68 399 335

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)180

(Question Serial No. 1743)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Tourism Board encourages consumer sharing through such platforms as the Hong Kong Insider's Guide and My Hong Kong Guide mobile app. What is the progress of such work?

How many people have used these mobile applications? What are the manpower and expenditure involved in designing, writing, maintaining and operating them?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. 45)

Reply:

In view of the ever-increasing popularity of digital media, the Hong Kong Tourism Board (HKTB) has in recent years increased the use of digital tools, including the internet, mobile applications and social media, to promote the tourism experiences offered by Hong Kong.

The HKTB launched the "Insider's Guide" in 2014-15. Available on the HKTB website and as a mobile application, the "Insider's Guide" highlights the key attractions, histories, local cultures, delicacies and shopping hotspots in various districts with a view to enticing visitors to explore these districts for an in-depth experience of Hong Kong's local culture. The "Insider's Guide" currently covers 9 districts, namely Eastern District, Kwun Tong, Wong Tai Sin, Sham Shui Po, Kowloon City, Sai Kung, Tsuen Wan, Yuen Long and the Islands. In 2015-16, it will be extended to cover other districts as well so as to encourage visitors to explore the cultures and characteristics of different areas in Hong Kong.

In addition, in 2014-15, the HKTB launched "My Hong Kong Guide", which integrates the Internet, mobile application and social media, for users to conveniently plan, explore and

share their experiences in Hong Kong. In 2015-16, the HKTB will enhance its content by including more information on local attractions, shops and their special offers, etc.

As at 28 February 2015, the number of users and the expenditure involved in designing, writing, and maintaining the above two mobile applications are as follows:

Mobile application	Number of users (Total downloads)	Expenditure (\$)
Insider's Guide	1 508 (iOS version launched in December 2014 and Android version launched in March 2015)	\$433,250
My Hong Kong Guide	70 369 (launched in March 2014)	\$819,200

As the HKTB engaged a contractor, through tendering procedures, to develop, assist in designing, writing and maintaining the above two initiatives, the information on manpower involved is not available.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)181

(Question Serial No. 1744)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 14 of the Budget Speech, we need to “rebuild” international tourists’ confidence in Hong Kong. As reflected by some tourism workers, the problem lies not in the lack of tourists’ confidence but in the lack of tourist attractions. In 2015-16, the spending of the Hong Kong Tourism Board (HKTB) on operation and tourism promotion will amount to \$747 million. The additional funding of \$80 million to the HKTB will not help change the fact.

As pointed out by many seasoned workers in the industry, without new tourist attractions, there will be fewer and fewer spots of tourist interest. The HKTB spends millions of dollars each year on promotion but its efforts seem to be “fruitless” and its effectiveness is doubtful. Every time when I discuss the development of tourism in East Kowloon with the locals in Kwun Tong and Wong Tai Sin, they are shocked to learn that the operating cost of the HKTB reaches millions of dollars every year and express doubt on the effectiveness of the huge sum of money spent on promotion year after year.

In view of the above, will the Financial Secretary pledge to first consider reallocating the millions of dollars on promotion to the development of tourism hardware in considering the future annual funding to the HKTB?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. 46)

Reply:

In 2015-16, we will continue development of our tourism hardware to further enhance Hong Kong's capacity to receive tourists and its tourism appeal. The two major theme parks in

Hong Kong will continue to roll out new projects and we will continue the development of the Kai Tak Cruise Terminal. District projects in progress and under planning include the Aberdeen Tourism Project and Lei Yue Mun Waterfront Enhancement Project. Details of these projects are set out below:

(a) Hong Kong Disneyland Resort

Further to the launch of the new night time parade “Disney Paint` the Night” in October 2014, the Hong Kong Disneyland will continue to launch a series of new initiatives, including the 10th Anniversary Celebration later this year, a new themed area based on Marvel’s Iron Man franchise by the end of 2016, and a new 750-room hotel with a theme dedicated to the spirit of exploration in early 2017. The Government has also commenced discussions on the Phase 2 development of the Hong Kong Disneyland Resort with The Walt Disney Company.

(b) Waterpark and Hotel Development Projects of the Ocean Park

The Ocean Park has embarked on developing an all-weather indoor cum outdoor waterpark at Tai Shue Wan. The construction works of the Park’s first hotel, namely Hong Kong Ocean Park Marriott Hotel, also commenced. These two development projects are expected to be completed by 2017. Besides, the Ocean Park has issued an invitation for expression of interest (EOI) for the Fisherman’s Wharf Hotel development project. Subject to the EOI results, the OPC will conduct the re-tender for the hotel development concerned.

(c) Kai Tak Cruise Terminal

The Kai Tak Cruise Terminal (KTCT) was officially commissioned in mid-2013, and its second berth also came into operation in 2014. The KTCT has attracted international cruise companies to deploy large cruise ships to Hong Kong. It enriches our travel product offerings and enhances the overall competitiveness of our cruise tourism industry. It also helps appeal more cruise passengers with high spending power to visit Hong Kong.

(d) Aberdeen Tourism Project

The scope of the Aberdeen Tourism Project being implemented includes the improvement works for the promenade on both sides of the Aberdeen Harbour as well as Ap Lei Chau Main Street and adjacent streets, with the theme of a traditional fishermen’s village. The project has been substantially completed.

(e) Lei Yue Mun Waterfront Enhancement Project

The scope of the Lei Yue Mun Waterfront Enhancement Project includes the construction of a public landing facility, a breakwater and a waterfront promenade; the provision of several lookout points and streetscape improvement works along the footpath linking up the lookout points; as well as the construction of a new viewing platform, etc. We are working on the required statutory procedures for gazettal of the

project works under the Foreshore and Seabed (Reclamations) Ordinance. We are yet to confirm the timetable for the implementation of the project.

To make better use of the tourism resources in various districts in Hong Kong, and encourage visitors to gain a more in-depth and comprehensive understanding of the characteristics and local cultures of different areas, thus generating business opportunities for merchants across the city, the Hong Kong Tourism Board (HKTB) launched the “Insider’s Guide” in 2014-15. Available on the HKTB website and as a mobile application, the “Insider’s Guide” highlights the key attractions, histories, local cultures, delicacies and shopping hotspots in various districts with a view to enticing visitors to explore these districts for an in-depth experience of Hong Kong’s local culture. The “Insider’s Guide” currently covers 9 districts, namely Eastern District, Kwun Tong, Wong Tai Sin, Sham Shui Po, Kowloon City, Sai Kung, Tsuen Wan, Yuen Long and the Islands. In 2015-16, it will be extended to cover other districts as well so as to encourage visitors to explore the cultures and characteristics of different areas in Hong Kong.

Besides, the HKTB will continue to encourage the local travel trade to develop new attractive themed tour products through the New Tour Product Development Scheme, encouraging visitors to explore and spend in different districts.

The aim of the subvention provided to the HKTB is to promote inbound tourism and maximise the socio-economic contribution that tourism brings to Hong Kong. In 2014, visitor arrivals to Hong Kong almost reached 60.84 million, 12.0% more than that in the previous year. Of these, overnight arrivals accounted for 27.77 million, representing a year-on-year increase of 8.2%. Overnight MICE arrivals also increased by 11.1% year-on-year to reach 1.8 million, while cruise passengers rose by 14.3% to exceed 790 000. Meanwhile, total expenditure associated with inbound tourism went up by 8.7% to reach \$358.2 billion compared with 2013. The above tourism performance reflects the effectiveness of the HKTB’s strategy in attracting overnight visitors. The Government will continue to support the promotion work carried out by the HKTB.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)182

(Question Serial No. 1745)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the operational details of the Mega Events Fund under the modified two-tier scheme? How much funds has been utilised and how many events have been approved by the Fund since the modification of the scheme?

After being named and criticized by the Audit Commission, what has been done by the Bureau to tighten the approval criteria of the supported events?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. 47)

Reply:

We sought approval from the Finance Committee of the Legislative Council in 2012 to allocate \$150 million for extending the operation of the Mega Events Fund (MEF) for 5 years and to modify the MEF into a two-tier system, which enabled the Fund to support international acclaimed mega events to come to Hong Kong on the one hand, and improved the original mechanism for applications by local non-profit-making organizations on the other. On the MEF Tier-1 Scheme, an independent consultant commissioned by the Government has provided some recommendations on international mega events that are suitable to be held in Hong Kong for the reference of the MEF Assessment Committee (AC) and the Government. On the recommendation of the MEF AC, the MEF AC Secretariat is adopting a step-by-step approach to take forward the Tier-1 Scheme with a view to bringing attractive mega events to Hong Kong for the period up to end March 2017. As regards the MEF Tier-2 Scheme, we are processing a fourth-round of applications. Since the modification of the MEF into a two-tier system in 2012, a total maximum sum of \$45.6 million has been granted to support 8 mega events.

In the light of the recommendations of the Audit Commission and the Legislative Council Public Accounts Committee on the MEF operation, the Government reviewed the modus operandi for the MEF Tier-2 Scheme. A series of enhancement measures have been adopted to further improve the operation of the MEF, including:

- (a) requesting applicants to provide clearer description of the targets and deliverables in the applications for easier assessment and more effective cross-checking. In addition, applicants shall declare in writing any potential conflict of interest, in particular those involving monetary transactions, and disclose details of their management teams and any associates who will be actively involved in organizing the proposed events. Furthermore, applicants must also seek MEF AC's approval if they intend to stage any events of similar content or nature within a period of 6 months before and after the event date of the proposed event;
- (b) scoring guidelines have been drawn up for MEF AC's reference in assessing the applications. The weighting accorded to job creation in the scoring guidelines has been revised downwards, while job creation is no longer a key performance indicator in the revised standard MEF funding agreement;
- (c) a more robust mechanism to validate whether the deliverables and targets of MEF-supported events have been achieved as reported by the organizers has been put in place. For example, applicants are required to provide the basis for estimating the number of different types of attendees and the scientific methods to be adopted for counting the number of attendees in their applications;
- (d) applicants must provide their procurement and staff recruitment mechanisms in their applications in details, and establish a two-tier approval system to ensure that the procurement and staff recruitment processes will be conducted in accordance with the principles of openness, fairness, competitiveness and value for money; and
- (e) the Tourism Commission has started redeploying staff with accounting background to assist with the verification and cross-checking of post-event evaluation reports and final audit accounts.

The above mentioned measures are applicable to the fourth round applications under the Tier-2 Scheme which are being processed. On the other hand, starting from 2015-16, this branch will deploy 2 additional staff members with accounting / audit knowledge, including 1 Senior Treasury Accountant and 1 Accounting Officer I, to provide additional support for the internal financial control and operation of the funding schemes under this Branch's purview, including the MEF.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)183

(Question Serial No. 1746)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is noted that during the construction of the cruise terminal, funds were reserved by the SAR Government to provide manpower training to meet the anticipated needs of the cruise industry. Could the Bureau advise this Committee of the operational details of the training programme, the amount of training funds used and the number of persons completed such training? Also, given the few calls on the cruise terminal by cruise vessels, are there sufficient job opportunities for those who have completed the training?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. 48)

Reply:

To assist the training of the required manpower of the cruise tourism trade, various training institutes, including the Hong Kong College of Technology, the Hong Kong Travel and Tourism Training Centre, as well as the Travel Industry Council of Hong Kong have been progressively providing many cruise tourism-related training courses such as the "Foundation Certificate in Cruise Travel Knowledge (Part-time)", "Certificate in Practical Skills in Cruise Travel (Part-time)" and "Cruise Selling Training Course", etc. The respective training institutes are responsible for the operation and expenditure of the above training courses, and no estimated expenditure under this Head is involved. We do not have information regarding the employment situation of the graduates of these courses.

We anticipate that the number of cruise ships visiting Hong Kong would continue to grow. We will continue to monitor the manpower requirement of the trade and their feedback on the above courses through the Advisory Committee on Cruise Industry and our close liaison with them.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)184

(Question Serial No. 3124)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On stepping up above-the-line media promotion overseas, how will the Hong Kong Tourism Board "scale up" overseas consumer shows and travel missions? What is the estimated expenditure for the work?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. 49)

Reply:

In 2015-16, the Hong Kong Tourism Board (HKTB) plans to take part in 17 consumer fairs in the Mainland and various short-haul markets, as well as 9 large-scale travel fairs (including leisure, Meetings, Incentive Travels, Conventions and Exhibition and cruise) in the Mainland, Australia, the US, Germany and India. In addition, to create business building platforms for the local travel trade and their overseas counterparts, the HKTB will organise 8 travel trade missions in various source markets and 7 familiarisation tours for overseas trade delegates.

To strengthen the effectiveness of the promotions, the HKTB also plans to expand the scale of participation in these consumer fairs and overseas travel trade missions through increasing the size and enhancing the decoration of its booths, renting bigger venues, etc. To encourage the local travel trade to take part in these overseas promotions, the HKTB will waive their participation fees.

In 2015-16, the HKTB's estimated expenditure for the above-mentioned work is \$24.338 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)185

(Question Serial No.3125)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to “promoting new facilities, venues and services to showcase Hong Kong’s wide range of MICE offerings” under “Matters Requiring Special Attention in 2015-16”, what are these new facilities, venues and services? How will they be promoted? What is the estimated expenditure?

Asked by: Hon TSE Wai-chun, Paul (Member Question No.50)

Reply:

The Meetings and Exhibitions Hong Kong (MEHK) Office of the Hong Kong Tourism Board (HKTB) has been promoting the edges and offerings of Hong Kong’s MICE tourism to event organizers and the relevant trade through various channels such as its websites, e-newsletters, familiarization tours for the travel trade, travel fairs and road shows in major source markets. These offerings include new venues, facilities and services. For instance, in recent years, MEHK has been actively promoting venues such as the Kai Tak Cruise Terminal, sky100 Hong Kong Observation Deck, PMQ, Hong Kong Science Park (Phase 3) and Hong Kong Maritime Museum, to MICE event organizers and planners, as well as new activities that are suitable for business teambuilding training such as Ngong Ping 360’s “Silence Motion 360” and Discovery Bay’s “Castles can Fly in Hong Kong”.

In 2015-2016, MEHK will continue to work closely with local attractions, hotels and other organizations, and to introduce to the MICE event organizers and relevant trade partners about venues, facilities and services that suit for their MICE events. In 2015-16, the HKTB plans to spend \$47 million on MICE promotion, including the annual additional provision of \$15 million for 3 years from 2014-15 onwards. The HKTB will continue to make good use of the relevant provision so as to bring more international MICE events and high-spending MICE visitors to Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)186

(Question Serial No. 3590)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the item on continuing to stage a 3D mapping show (“mapping show”) under the “matters requiring special attention in 2015–16”, will the Secretary advise this Committee the estimated annual expenditure of the mapping show and how it can achieve synergy effect with various HKTB events?

Moreover, what is the estimated annual operation expenditure of the Symphony of Lights? Has the Secretary assessed whether the show is “outdated” and whether it is still worthwhile to stage the show every night on a long-term basis?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. 51)

Reply:

In 2014-15, the Hong Kong Tourism Board (HKTB) rolled out 3 rounds of the Hong Kong Pulse 3D Light Show. Four shows were staged every evening in the following periods with each show lasting for about 15 minutes:

- Round 1: 29 October to 16 November 2014 (covering the Hong Kong Wine and Dine Festival);
- Round 2: 17 to 29 December 2014 (covering the Hong Kong WinterFest); and
- Round 3: 12 to 17 February 2015 and 21 February to 18 March 2015 (covering the Hong Kong Chinese New Year Celebrations)

In 2015-16, the HKTB preliminarily plans to stage the Hong Kong Pulse 3D Light Show during its staging of the following four mega events:

- The Summer Promotion (July to August 2015)
- The Hong Kong Wine and Dine Month (October to November 2015)
- The Hong Kong WinterFest and the New Year Countdown Celebrations (December 2015)
- The Hong Kong Chinese New Year Celebrations (January to February 2016)

The revised estimate in 2014-15 and estimated expenditure in 2015-16 for the Hong Kong Pulse 3D Light Show is \$25 million respectively.

“A Symphony of Lights” is a show involving public and private participation. The private participating buildings are responsible for the recurrent costs of their respective buildings. The Government is responsible for the expenditure for keeping up the operations of the show as well as the recurrent costs for maintaining and replacing the lighting and audio accessories of the government buildings taking part in it. The recurrent expenditure incurred by the Government in 2014-15 is about \$6 million, and the estimated expenditure for 2015-16 will be similar. We are planning to commission a consultancy study to review the show comprehensively and explore possible options for its way forward.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)187

(Question Serial No. 0243)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In last year's Budget Speech, the Financial Secretary announced the Government's acceptance of the Task Force on Manpower Development of the Retail Industry's recommendations and allocation of \$130 million for the implementation of the following measures:

- (i) supporting retailers on a matching fund basis for the use of information technology and other technology solutions to increase productivity;
- (ii) assisting the Vocational Training Council in strengthening its vocational education and training with reference to the Specifications of Competency Standards for the Retail Industry that was newly drawn up under the Qualifications Framework, including running retail courses through a professional institution and launching pilot courses combining classroom learning and work placement;
- (iii) working with the industry to enhance the image of the trade; and
- (iv) providing targeted recruitment and employment services as well as organising large-scale and district-based job fairs dedicated to the retail industry.

Please advise on the following: the implementation, progress and effectiveness of such measures to date; whether the Government knows about the use of the \$130 million allocation; and whether there is a need to set aside additional funding in 2015-16 to support the continued implementation of such measures.

Asked by: Hon WONG Kwok-kin (Member Question No. 15)

Reply:

The details of relevant measures are as follows-

Measure	Implementation	Progress	Effectiveness	Use of Allocation
(i)	Rolled out the Retail Technology Adoption Assistance Scheme for Manpower Demand Management in December 2014.	Conducted around 20 promotional events/seminars in first 3 months and received 51 first-batch applications by the deadline of end of January 2015 for processing.	Expected to enhance the productivity of retail operations of beneficiary enterprises, manage their manpower demand and improve working conditions.	Set aside \$50 million from the \$130 million. No funds have been approved so far as the Scheme has just been rolled out.
(ii)	Rolled out the Earn & Learn Pilot Scheme for the Retail Industry in September 2014.	The Foundation Diploma programme started in 2014/15 school year, and the Higher Diploma programme is planned to commence in 2015/16 school year. Relevant teaching facilities have also been expanded.	Around 200 student-workers in the Foundation Diploma programme provided extra hands to the industry.	Set aside \$70 million from the \$130 million, and spent over \$6 million so far.

Measure	Implementation	Progress	Effectiveness	Use of Allocation
(iii)	(a) Completed a benchmark survey of perception of the retail industry; (b) Appointed a professional agency to assist in mapping out the promotion campaign strategy.	Finalising the promotion strategy, with a view to rolling out the various promotion measures in 2015-16.	Expected to help outside parties correctly understand the industry, and to raise its image, with a view to recruiting a quality work force.	Set aside \$10 million from the \$130 million, and spent around \$0.5 million so far.
(iv)	Relevant tasks started in 2014.	Organised four large-scale thematic job fairs and 70 district-based thematic job fairs for the retail industry from May to December 2014. Set up a dedicated webpage on retail jobs at Labour Department's Interactive Employment Service website in May 2014.	Helped employers in the retail industry in recruiting employees and interested job seekers in finding retail jobs. Facilitates job seekers in identifying suitable vacancies in the retail sector.	The funding came from the existing resources of the Labour Department, but not the new allocation of \$130 million.

As shown in the above table, there is no need to allocate additional funds in 2015-16 for the above measures.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)188

(Question Serial No. 1239)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will allocate an additional \$80 million for Hong Kong Tourism Board (HKTB) to step up its promotion efforts in the coming year. These activities will include running overseas promotions, organising shopping festivals and offering merchandise concessions and electronic discount coupons in collaboration with the retail industry, and arranging large-scale familiarisation tours to Hong Kong for overseas trade missions. HKTB will expand the scale of overseas promotion fairs this year and waive local traders' participation fees.

How will the funding be distributed?

Fees for exhibitors in the Hong Kong Wine and Dine Festival were waived last year. Will the fees be waived again this year? If yes, will this initiative be expanded to cover other events?

Asked by: Hon WONG Ting-kwong (Member Question No. 2)

Reply:

The Government will provide an additional funding of \$80 million to the Hong Kong Tourism Board (HKTB) in 2015-16 for strengthening the image of Hong Kong as a premier tourist destination. The HKTB plans to use the additional funding for conducting a series of targeted promotions in major short-haul markets (such as Taiwan, South Korea and various Southeast Asian countries) from April to December 2015, including:

Activity	Estimated costs (\$)
Stepping up overseas media publicity and promotions	20 million
Organising promotion campaigns in two phases, including organising shopping festivals, offering merchandise concessions and electronic discount coupons for visitors in collaboration with the retail industry; advertising and publicising these promotions in the overseas markets	55 million
Arranging large-scale familiarisation tours for overseas travel trade	2.5 million
Expanding the scale of overseas promotion fairs this year and waiving local traders' participation fees	2.5 million

In 2014, owing to the Occupy Movement, the Hong Kong Wine and Dine Festival organised by the HKTB had to be relocated from the New Central Harbourfront to the runway of the former Kai Tak Airport at short notice. As a result, the HKTB had to introduce a number of special arrangements, including lowering the exhibition fees for exhibitors and waiving the admission fees as contingencies. These arrangements were one-off in nature. In 2015, the HKTB will stage the Hong Kong Wine and Dine Festival at the New Central Harbourfront. The preparatory work for the event is still underway.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)189

(Question Serial No. 1242)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 25 of the Budget Speech that the Government will support the small and medium enterprises (SMEs) through the following measures:

(1)	extend the application period for the special concessionary measures under the SME Financing Guarantee Scheme to 29 February 2016;
(2)	inject \$1.5 billion into the SME Export Marketing and Development Funds;
(3)	increase the maximum amount of funding support for each project under the SME Development Fund from \$2 million to \$5 million; and
(4)	expand the scope of the SME Export Marketing Fund.

Please provide the average time required for application assessment (from the submission of applications to the completion of approving procedure), application success rates, outcome indicators and data on the economic benefits brought to Hong Kong regarding the above measures in the past year.

Asked by: Hon WONG Ting-kwong (Member Question No. 14)

Reply:

The Hong Kong Mortgage Corporation Limited (HKMC) launched the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) on 31

May 2012 to provide 80% loan guarantees at concessionary fee rates. The Government provides a total loan guarantee commitment of \$100 billion. As at the end of February 2015, the HKMC has received over 11 000 applications and approved over 9 800 of them, involving a total loan amount of about \$40.5 billion and a total guarantee amount of about \$32.4 billion. Excluding 91 applications under processing and 987 applications withdrawn by lending institutions, the overall success rate of applications is about 99.3%. 69 applications have been rejected, and the percentage is about 0.7%. 10 applications were rejected due to failure to meet the eligibility requirements while the reasons for the remaining 59 applications being rejected included poor repayment ability, poor financial performance and account conduct, high leverage, poor record of accounts receivable, or having pending legal litigation with significant financial impact, etc.

The SFGS including the special concessionary measures is administered in accordance with prudent commercial principles. All guarantee applications should meet the requirements for obtaining a guarantee under the SFGS and enterprises should provide relevant documents. In general, the HKMC would notify the lending institutions of the result of the applications in writing in about three working days upon receipt of complete information from them, and would issue the guarantee after the lending institutions have completed further relevant documents. The HKMC streamlined the arrangements in September 2014, whereby the HKMC may issue the guarantee directly in three working days the fastest without first issuing a notification of result if the lending institution submits all the required documents during application.

As for the SME Export Marketing Fund (EMF) and SME Development Fund (SDF) under the Trade and Industry Department, the statistics of the two funds from April 2014 to the end of February 2015 are as follows:

	EMF	SDF
Number of Applications Approved	11 582	14
Number of Applications Rejected	3 129	14
Amount of Grants for Applications Approved (\$)	\$187,058,986	\$14,885,069
Success Rate	78.73%	50%
Application Processing Time	All applications were processed within 30 working days from the date of receipt of the duly completed and valid application, thus fulfilling the performance pledge.	All applications were processed within 60 working days (i.e. from the date of receipt of all necessary documents and information for the application by the secretariat to the submission of recommendation to the Vetting Committee), thus fulfilling the performance pledge.

The EMF aims at encouraging small and medium enterprises (SMEs) to participate in export promotion activities. The current scope of funding covers participation in exhibitions and business missions, as well as placing advertisement on printed trade publications targeting export markets and on eligible trade websites. Since the establishment of the EMF in 2001 up to the end of February 2015, over 185 000 applications were approved involving a total grant amount of around \$2.8 billion, benefitting over 42 000 SMEs.

The SDF provides financial support to non-profit-distributing organisations (including trade and industrial organisations, professional bodies and research institutes) to implement projects which aim at enhancing the competitiveness of SMEs in general or in specific sectors in Hong Kong. Since the establishment of the SDF in 2001 up to the end of February 2015, over 240 applications were approved involving a total grant amount of around \$270 million, benefitting a wide range of sectors and enterprises.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)190

(Question Serial No. 1243)

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

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 63 of the Budget Speech, Hong Kong should strengthen trade ties with the countries along the "One Belt One Road". Logically speaking, the Government ought to have conducted a research before introducing the policy, while financial and manpower resources should have been allocated to examine the positioning and objectives of Hong Kong under the "One Belt One Road". Based on the findings of the research, please provide the following information:

The strengths, weaknesses, opportunities and challenges of Hong Kong under the "One Belt One Road";

Ways to assist our motherland in building the "One Belt One Road" in a mutually beneficial manner;

Major partners and areas of co-operation under the "One Belt One Road" as far as Hong Kong is concerned;

Measures which have been taken to encourage various sectors in the community to play a part in building the "One Belt One Road"; and

Details of the departments, organisations and financial resources involved in the research.

Asked by: Hon WONG Ting-kwong (Member Question No. 15)

Reply:

The Central Government has put forward the initiatives of building "One Belt One Road", spanning different economic co-operation corridors in Asia, Europe and Africa. Many countries along the "One Belt One Road" have development potential. Hong Kong will

strengthen trade ties with these markets, and develop trade facilitation and investment promotion to secure business opportunities in various aspects. Hong Kong can work with Mainland provinces and municipalities to stage roadshows in these countries to facilitate trade and investment flows for regional economic integration. This will create more favourable conditions for our goods, services and investment to access overseas markets.

The Trade and Industry Department (TID) is actively negotiating a free trade agreement with the Association of Southeast Asian Nations (ASEAN) with a view to allowing Hong Kong's goods, services and investment gaining access to the ASEAN markets under more favourable conditions. We hope to conclude the negotiation next year so that Hong Kong's businessmen can reap the benefits at the earliest. Furthermore, we have concluded Investment Promotion and Protection Agreement (IPPA) negotiations with Bahrain and Myanmar, and will sign them upon completion of internal procedures by the parties concerned. TID will commence negotiation on an IPPA with the United Arab Emirates later this year and continue IPPA negotiation with Russia. Forging IPPAs helps enhance the confidence of investors of relevant regions in investing in Hong Kong and strengthen the protection of Hong Kong businessmen's investments in such regions.

We have been endeavouring to strengthen economic and trade ties between Hong Kong and emerging markets. Invest Hong Kong (InvestHK) will partner with Guangzhou Municipal Commission of Commerce to organise an overseas investment promotion seminar in Dubai in March 2015. The Hong Kong Trade Development Council (HKTDC) organises large-scale international conferences in Hong Kong to explore business opportunities for different sectors arising from the "One Belt, One Road" initiative. Key events include:

- organised a workshop during the "Asian Financial Forum" and invited speakers to analyse the impact of "One Belt, One Road" on global economic development (January 2015); and
- to discuss "One Belt, One Road" initiative during the "Asian Logistics and Maritime Conference", and to invite Government, logistics and maritime industry representatives and users to share their insights about opportunities arising from the "One Belt, One Road" initiative (November 2015).

The HKTDC will also organise large-scale events in ASEAN, India and the Middle East. Major initiatives include:

- to launch a signature campaign "In Style · Hong Kong" in Jakarta to publicise Hong Kong as a lifestyle trendsetter and promote Hong Kong brands (September 2015);
- to explore collaboration with the Trade Development Bureau of the Ministry of Commerce of the People's Republic of China to stage a large-scale product promotion event in Dubai and New Delhi, and develop the "Hong Kong Product Expo" in Dubai into a signature event in the Middle East; and
- to organise an infrastructure and real estate services mission to help Hong Kong service providers and Mainland developers explore opportunities arising from the urbanisation trend in ASEAN countries such as Thailand and Myanmar (July 2015).

The above-mentioned work is part of the overall work of commercial relations and the relevant expenditure has been subsumed under the estimated expenditure of the Commerce

and Economic Development Bureau (CEDB), TID, InvestHK and the HKTDC. It is difficult to account for the relevant manpower and financial resources separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)191

(Question Serial No. 1244)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will allocate an additional \$80 million to the Hong Kong Tourism Board to enhance the promotion of tourism activities in the coming year.

What items will be included and how will they be carried out? Will the provision be used for organising outbound trips (to places including potential markets such as Taiwan) led by relevant officials of the Government of the Hong Kong Special Administrative Region for promoting Hong Kong's tourism industry? If so, what is the estimated expenditure? If not, what are the reasons?

Asked by: Hon WONG Ting-kwong (Member Question No. 16)

Reply:

The Government will provide an additional funding of \$80 million to the Hong Kong Tourism Board (HKTB) in 2015-16 for strengthening the image of Hong Kong as a premier tourist destination. The HKTB plans to use the additional funding for conducting a series of targeted promotions in major short-haul markets (such as Taiwan, South Korea and various Southeast Asian countries) from April to December 2015, including:

Activity	Estimated costs (\$)
Stepping up overseas media publicity and promotions	20 million

Activity	Estimated costs (\$)
Organising promotion campaigns in two phases, including organising shopping festivals, offering merchandise concessions and electronic discount coupons for visitors in collaboration with the retail industry; advertising and publicising these promotions in the overseas markets	55 million
Arranging large-scale familiarisation tours for overseas travel trade	2.5 million
Expanding the scale of overseas promotion fairs this year and waiving local traders' participation fees	2.5 million

The HKTB will, depending on the nature of the promotions and actual activities involved, invite suitable government officials, representatives from travel trade and celebrities to participate in its overseas promotions.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1245)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in paragraph 79 of the Budget Speech that the Government is promoting free trade between Hong Kong and ASEAN. In view of this, apart from starting the free trade agreement negotiations with ASEAN, what specific measures have been put in place by the Government to encourage Hong Kong's enterprises to open up the ASEAN market? How much financial resources were involved in these measures? And are there any data that can prove the effectiveness of these measures so far?

Asked by: Hon WONG Ting-kwong (Member Question No. 17)

Reply:

The Trade and Industry Department (TID) has been actively enhancing trade and investment co-operation with members of the Association of Southeast Asian Nations (ASEAN) so as to open new markets and create business opportunities for Hong Kong's merchandise and services. Apart from commencing Free Trade Agreement negotiations with ASEAN, TID will also explore the possibility of forging bilateral investment promotion and protection agreements. Relevant officials from Hong Kong and ASEAN also pay visits to each other to gain better mutual understanding and promote bilateral trade relations.

Meanwhile, our Economic and Trade Office (ETO) in Singapore is responsible for promoting Hong Kong's commercial relations with member states of ASEAN. It closely monitors developments that may affect Hong Kong's economic and trade interests, and maintains close contact with key interlocutors in governments, chambers of commerce, business communities and media organisations in ASEAN to promote the economic and trade interests of Hong Kong.

The Hong Kong Trade Development Council (HKTDC) has also been actively helping Hong Kong companies to deepen penetration into ASEAN market. The HKTDC provides small and medium enterprises with the latest market intelligence through its multimedia portal “HKTDC Research” and a number of research publications. It also organises a variety of activities, such as trade fairs, business missions, product displays and incoming buying missions, etc. to help Hong Kong companies tap opportunities and expand networks in ASEAN.

The above work of strengthening economic cooperation with trading partners is part of the overall work on commercial relations. The relevant expenditure has been subsumed under the estimated expenditure for the overall work of the Commerce and Economic Development Bureau, TID, HKTDC and the Singapore ETO. It is difficult to account for the relevant manpower and financial resources separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)193

(Question Serial No. 1250)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to paragraph 80 of the Budget Speech, the Government is fostering economic co-operation between Hong Kong and Macao. In this regard, please advise whether the Government has allocated financial resources and manpower to studying the current economic co-operation between Hong Kong and Macao. If yes, please detail the sectors and value in money terms involved in the current trade in goods and services between the two places; existing measures for promoting trade in goods and services between the two places; and the government institutions and financial resources involved in these measures.

Asked by: Hon WONG Ting-kwong (Member Question No. 35)

Reply:

The Trade and Industry Department (TID) has been actively enhancing trade and investment co-operation with our trading partners with a view to opening up markets for Hong Kong's merchandise and services and creating more business opportunities. To this end, TID has been exploring the possibilities of forging various types of bilateral agreements, including comprehensive free trade agreements, to strengthen our economic and trade ties with our trading partners.

Hong Kong and Macao have good bilateral trade relations. In 2014, the total value of the merchandise trade between the two places amounted to HK\$55.2 billion. The major products involved included jewellery, photographic goods, and watches and clocks. On the trade in services, the total value of trade between the two places was HK\$16.6 billion in 2012, and the major industry involved was travel services.

Macao is in close proximity to Hong Kong and the trade regimes of the two places share many similarities, such as the adoption of free trade policy without levying any tariffs. These measures help promote trade in goods and services as well as free flow of capital. We are exploring a closer economic partnership arrangement with Macao, with a view to further enhancing economic development of both places.

The above is part of the overall work on commercial relations. The relevant expenditure has been subsumed under the overall estimated expenditure for commercial relations work and is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)194

(Question Serial No. 1258)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the injection of \$1.5 billion into the SME Export Marketing and Development Funds, the increase of the maximum amount of funding support for each project under the SME Development Fund from \$2 million to \$5 million and the expansion of the scope of the SME Export Marketing Fund, will the Government consider expanding the scope of the SME Export Marketing Fund to cover the relevant countries and investment areas in the light of the "One Belt, One Road" economic development concept, so that more enterprises may further expand their business?

At the same time, some small and medium enterprises (SMEs) indicated that product promotion outside Hong Kong was not easy as a result of the rising operating cost and the increasing expenses for participating in overseas exhibitions every year. They hoped that the Government would further increase the amount of funding support beyond that proposed in the Budget Speech, so that SMEs would have enough resources and more opportunities to participate in overseas market development activities. Will the Government consider this? If no, what are the reasons?

Asked by: Hon WONG Ting-kwong (Member Question No. 44)

Reply:

The SME Export Marketing Fund (EMF) aims at encouraging small and medium enterprises (SMEs) to participate in export promotion activities. The current scope of funding covers participation in exhibitions and business missions, as well as placing advertisements on printed trade publications targeting export markets and on eligible trade websites. The EMF does not impose restrictions on the location of the activities. SMEs may use the grants under

EMF to participate in export promotion activities relating to the relevant countries under “One Belt, One Road”.

The Trade and Industry Department closely monitors changes in the market situation as well as the needs of SMEs, and reviews from time to time the operation of various funding schemes to ensure that adequate support is provided to the trade. For example, in order to further assist SMEs in exploring export market opportunities, the Government has further increased the cumulative grant ceiling per SME under the EMF from \$150,000 to \$200,000 with effect from 10 June 2013, subject to additional conditions, with a view to encouraging SMEs to participate in new export promotion activities. Currently, over 90% of the beneficiary enterprises have not yet reached the cumulative grant ceiling of \$200,000. We will continue to closely monitor changes in the market situation as well as the needs of SMEs and make timely improvements to the operation of the EMF.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)195

(Question Serial No. 1259)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the HKSAR Government's exploration of a closer economic partnership arrangement with Macao, what is the progress? When is the arrangement expected to be made? Following the implementation of the arrangement in the 2 places, what are the expected benefits for Hong Kong and what areas will be benefited?

The Government also considers that CEPAs already signed respectively by Hong Kong and Macao with the Mainland will constitute a new economic and trade co-operation platform for the region. Has the Government looked into what synergetic effects can be created for us, which in turn will bring more benefits to Hong Kong, after the agreement is reached?

Asked by: Hon WONG Ting-kwong (Member Question No. 45)

Reply:

The exploration of a closer economic partnership arrangement between Hong Kong and Macao is still at an initial stage. We are currently discussing with Macao the scope of the arrangement, and hope to commence formal negotiation as soon as possible after completing the relevant preparatory work. Forging such an arrangement between Hong Kong and Macao will create a more favourable trade and business environment and bring benefits to the economies of both places.

When the Mainland, Hong Kong and Macao all have bilateral arrangements with one another, the three places may build on such arrangements to establish a new free trade platform to further promote liberalisation and facilitation of trade and investment, thereby contributing to the economic integration and growth of the Greater China region.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)196

(Question Serial No. 1261)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Provision for 2015-16 is \$64.0 million (35.5%) higher than the revised estimate for 2014-15. The Government has explained that this is mainly due to the increased cash flow requirement for the Measures for Manpower Development of Retail Industry, increased provision for supporting the promotion of intellectual property trading, continued need to support the Economic Development Commission, and the increased estimate for the subscription to the World Trade Organization.

Would the Government give a detailed account of the specific allocation of the increased provision?

In addition, two posts will be created in 2015-16. What are the specific details of the posts and the expenditure involved?

Asked by: Hon WONG Ting-kwong (Member Question No. 47)

Reply:

Provision for 2015-16 is \$64.0 million (35.5%) higher than the revised estimate for 2014-15. This is mainly due to the increased cash flow requirement for the Measures for Manpower Development of Retail Industry, increased provision for supporting the promotion of intellectual property (IP) trading, continued need to support the Economic Development Commission, and the increased estimate for the subscription to the World Trade Organization (WTO). The total estimated expenditure of the above mentioned areas of work in 2015-16 is \$116.2 million. The details of the items involved are as follows:

Major items	Brief on the contents of items
(1) To implement Measures for Manpower Development of Retail Industry	To carry on two measures launched in the second half of 2014, namely “Earn & Learn Pilot Scheme for the Retail Industry” and the “Retail Technology Adoption Assistance Scheme for Manpower Demand Management”; and roll out a promotion campaign for the retail industry.
(2) To support the promotion of IP trading	Based on the recommendations of the Working Group on IP trading, a series of new measures including IP consultation to small and medium-sized enterprises, IP manpower training, support for the development of IP intermediary services, and promotion and education campaigns, will be implemented.
(3) To support the Economic Development Commission	Secretariat support for the Economic Development Commission and two of its Working Groups (namely, the Working Group on Convention and Exhibition Industries and Tourism and the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries) is provided by the Commerce and Economic Development Bureau.
(4) Subscription to the WTO	All WTO Members are required to make financial contributions to the WTO annually according to individual Member’s trade share in relation to the total international trade of all WTO Members. The increase in the budget is to cater for the fluctuation in the trade share and exchange rate between Swiss Franc and Hong Kong Dollar.

In addition, the details of the 2 new posts to be created in 2015-16 are as follows:

Post title	Number of post	Total salary provision (\$)	Job nature and area of work
Senior Treasury Accountant (time-limited for 5 years)	1	1,222,560	To provide additional support for the internal financial control and operation of the funding schemes under this Branch’s purview, including the Mega Events Fund, Earn & Learn Pilot Scheme for Retail Industry, and Retail Technology Adoption Assistance Scheme for Manpower Demand Management.
Accounting Officer I (time-limited for 5 years)	1	651,180	
Total posts to be created:	2		

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)197

(Question Serial No. 3101)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The boundary shopping centre located at the area of Castle Peak Road Chau Tau Section and Tun Yu Road of Lok Ma Chau is near completion and to be opened for service. The aim is to reduce the passenger flow in other districts of Hong Kong through diversion and to provide another place for the residents' pastime. In this regard, please explain what the Government has done during the planning and construction process to facilitate the implementation of the shopping centre, whether the Government would assist in promotion work, whether actions would be taken as far as possible to improve the transport facilities of the shopping centre as well as the manpower and resources deployed.

Asked by: Hon WONG Ting-kwong (Member Question No. 13)

Reply:

From the tourism perspective, we consider the suggestion of developing a boundary shopping centre near the Lok Ma Chau border area worth considering. If materialised, the development may help divert visitors in the short term and provide job opportunities to residents of the existing and planned new towns in the New Territories in the long run.

The boundary shopping centre project should be implemented in accordance with the established statutory procedures on planning, land administration and other relevant aspects. The Commerce and Economic Development Bureau has coordinated relevant departments to provide advice on the information required to be submitted, the statutory procedures concerned, etc. to the project proponent. As for the transport and traffic arrangements for the project, the proponent should conduct a traffic impact assessment and provide the relevant traffic and transport arrangements. The Government will closely keep in view the

progress of the project and continue to provide necessary information and assistance to the proponent. The Hong Kong Tourism Board will consider carrying out appropriate publicity to promote the shopping centre by that time having regard to its development progress.

The aforementioned work involves various bureaux and departments, and the expenditure and budget involved have been correspondingly subsumed into the allocation to relevant bureaux/departments in 2015-16 which are difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)198

(Question Serial No. 3776)

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

Subhead (No. & title): (-) -

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the operation of the Post Office Trading Fund (POTF), the Post Office has recently indicated that it plans to close down Lok Wah Post Office and shorten the business hours of most of the post offices. What effect does the Post Office expect the implementation of the planned measures to have on the POTF? Apart from implementing the above measures, does the Post Office currently have any other plan for service reduction measures? Is there any plan for exploring new sources of revenue?

Asked by: Hon WU Chi-wai (Member Question No. 51)

Reply:

In 2010, in response to the recommendation made by the Director of Audit in his Report No. 54, Hongkong Post (HKP) undertook to regularly assess the public demand for postal services of individual post offices and their financial viability to ensure that the operation of each post office is fully justified. For more effective use of resources, HKP has adjusted the business hours of 59 small and medium sized post offices with relatively low patronage and/or serious overlapping with the catchment area(s) of the neighbouring post office(s) since 2 February 2015, and would close down the Lok Wah Post Office and replace it with a mobile post office from 13 April 2015. When implementing these measures, HKP has given due consideration to all relevant factors, including the demand for counter postal services, the postal facilities nearby, other bill payment and stamp purchase channels, etc. The relevant measures will enable the Department to make better use of its manpower resources, as well as to rationalise the workflow of the postal vehicle fleet for

mail collection from post offices and the mail processing procedures at the back-end, thereby enhancing the overall operational efficiency. HKP will continue to keep the public demand for postal services in various districts under review, and implement appropriate measures in the light of actual circumstances to ensure that its post office network and related resources are put to efficient use.

Apart from cost management, HKP has been vigorously implementing various measures to generate revenue. For example, with the rapid development of e-commerce, HKP has been expanding its service offerings. Examples include the local Smart Post service with an e-mail notification function and a choice between home delivery and counter collection, the international e-Express service with a tracking feature, the international iMail service for bulk posting of registered airmail, counter collection service for online purchases, as well as online posting platform to facilitate internet traders to post items, etc. HKP also offers a premium gifts and souvenirs service using the stamps issued by the Department and various publicity solutions making use of its postal infrastructure. HKP will continue to fully utilise its comprehensive postal infrastructure, control costs, offer more products and services that meet market needs, and review and adjust the principal postage rates and various postal fees on a regular basis to enhance the long-term financial viability of HKP.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)199

(Question Serial No. 1321)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to the Financial Secretary, many countries along the "One Belt One Road" have great development potential. Please inform this Committee what initiatives the Government has to strengthen the trade ties between Hong Kong and these markets, so that Hong Kong can play a part in the building of the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road", and thereby take forward the development of our trading and logistics industries.

Asked by: Hon YICK Chi-ming, Frankie (Member Question No. 37)

Reply:

The Central Government has put forward the initiatives of building the Silk Road Economic Belt and the 21st Century Maritime Silk Road, or "One Belt One Road" in short, spanning different economic co-operation corridors in Asia, Europe and Africa. Many countries along the "One Belt One Road" have development potential. Hong Kong will strengthen trade ties with these markets, and develop trade facilitation and investment promotion to secure business opportunities in various aspects.

The Trade and Industry Department (TID) is actively negotiating a free trade agreement with the Association of Southeast Asian Nations (ASEAN) with a view to allowing Hong Kong's goods, services and investment gaining access to the ASEAN markets under more favourable conditions. We hope to conclude the negotiation next year so that Hong Kong's businessmen can reap the benefits at the earliest. Furthermore, we have concluded Investment Promotion and Protection Agreement (IPPA) negotiations with Bahrain and Myanmar, and will sign them upon completion of internal procedures by the parties concerned. TID will commence negotiation on an IPPA with the United Arab Emirates

later this year and continue IPPA negotiation with Russia. Forging IPPAs helps enhance the confidence of investors of relevant regions in investing in Hong Kong and strengthen the protection of Hong Kong businessmen's investments in such regions.

We have been endeavouring to strengthen economic and trade ties between Hong Kong and emerging markets. Invest Hong Kong (InvestHK) will partner with Guangzhou Municipal Commission of Commerce to organise an overseas investment promotion seminar in Dubai in March 2015. The Hong Kong Trade Development Council (HKTDC) will organise a large-scale international conference (the "Asian Logistics and Maritime Conference") in Hong Kong to explore business opportunities for different sectors arising from the "One Belt, One Road" initiative, and organise large-scale events in ASEAN, India and the Middle East.

The above-mentioned work is part of the overall work of commercial relations and the relevant expenditure has been subsumed under the estimated expenditure of the Commerce and Economic Development Bureau (CEDB), TID, InvestHK and the HKTDC. It is difficult to account for the relevant manpower and financial resources separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)200

(Question Serial No. 1322)

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

Subhead (No. & title): (-) -

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary has said that 'we are examining how best to further streamline departments' handling of import/export documents. The provision of one-stop customs clearance service through a "Single Window" will closely follow mainstream international development'. Please inform this Committee of the details of the study on "Single Window", whether consideration has been given to apply the concept of "Single Window" to Mainland and regional collaboration, whether stakeholders of the trading and logistics industry have been consulted and the expected time of completion of the study.

Asked by: Hon YICK Chi-ming, Frankie (Member Question No. 38)

Reply:

The study in question, undertaken by a consultant, commenced in September 2014. It examines how to develop our existing "Government Electronic Trading Services", which receives a number of trade submissions, into a trade "single window". That will provide one-stop service for the trade to submit import / export documents to the Government, facilitating trade declaration and customs clearance. The issue of connecting the proposed single window with other platforms (such as the single windows of other economies in the region) is also covered by the consultancy study.

The consultant has been approaching the trading and logistics sector, and taking stock of the local situation and overseas experience. Subject to progress, our target is to complete the study in 2015-16. We will consult the industry and the Legislative Council in due course on the way forward.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)201

(Question Serial No. 1345)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On improvement of facilities for visitors, please provide details on the specific work undertaken by the Hong Kong Tourism Board in the past 3 financial years (i.e. 2012-13, 2013-14 and 2014-15). How much additional expenditure was incurred by the Government? In respect of this same area of work, what specific measures will be taken in this 2015-16 financial year?

Asked by: Hon YIU Si-wing (Member Question No. 19)

Reply:

The Hong Kong Tourism Board (HKTB) has been offering advice to government departments on tourism facilities in Hong Kong. The HKTB makes recommendations on a wide range of areas, including the provision of general tourism supporting facilities, such as identifying suitable locations for putting up directional signs and mapboards as well as provision of coach parking spaces, etc. with a view to facilitating visitors to tour around Hong Kong. In addition, the HKTB offers advice on the operation and promotion of tourist attractions managed by the Government as well as on the tourism merits of development projects under planning, including the Avenue of Stars and various museums managed by the Leisure and Cultural Services Department, and the buildings under the Revitalising Historic Buildings Through Partnership Scheme run by the Development Bureau. The HKTB will continue to provide comments and advice to government departments on tourism facilities in 2015-2016. The above work is part of the day-to-day operations of the HKTB. It is difficult to quantify the amount of expenditure separately.

- End-

CONTROLLING OFFICER'S REPLY

CEDB(CIT)202

(Question Serial No. 1353)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise this Committee of the work to attract more MICE (meetings, incentive travels, conventions and exhibitions) visitors by the Hong Kong Tourism Board and its effectiveness in the past 3 years. What is the actual effect of the additional provision of \$45 million from 2014-15? Please explain with relevant data provided.

Asked by: Hon YIU Si-wing (Member Question No. 27)

Reply:

The Meetings and Exhibitions Hong Kong (MEHK) Office under the Hong Kong Tourism Board (HKTB) provides one-stop professional support during the event preparation, site inspection and the staging of the event, as well as an array of value-added and hospitality offers to MICE event organizers. For example, MEHK helps organizers identify suitable venue and accommodation, provides them with comprehensive hospitality and trade offers, facilitates the setting up of dedicated immigration counters at the Hong Kong International Airport, gives out complimentary welcome packages and offers thrilling cultural and leisure experiences for attendees of the MICE events etc. To attract more high-spending MICE visitors and international MICE events to Hong Kong with the aim of strengthening the image of Hong Kong as the "World's Meeting Place", the major promotion work conducted by the HKTB over the past 3 years included:

Meetings and incentives (M&I)

- conducting promotions in major source markets, including the Mainland and India;

- joining hands with local partners to participate in various international trade shows to foster ties with the M&I trade members;
- promoting Lantau Island as a one-stop MICE destination to M&I event planners;
- organizing familiarization tours for overseas travel trade and arrange for them to meet with the local travel trade for business-building; and
- motivating travel agents to promote Hong Kong as the ideal destination for M&I trips to their corporate clients through an award programme.

Conventions

- focusing resources on the European and American markets with targeting six strategic sectors (i.e. medical science, social science, science, technology, engineering, and commerce) in bidding for large-scale conventions and reputable small and medium-sized conventions;
- leveraging industry events such as IMEX as outreach platforms in Europe and the US to engage key associations and conference organizers;
- forming strategic partnerships with professional associations and professional conference organizers in Europe and the US as well as persuading them to stage their large-scale conferences in Hong Kong; and
- strengthening the connection between associations in the Mainland and their corresponding local chapters in Hong Kong, and organizing familiarization trips for these associations to gain a better understanding of Hong Kong's competitive edge as a MICE destination.

Exhibitions

- showcasing Hong Kong's edge at international industry events, together with key partners from the local exhibition sector, to attract decision makers to choose Hong Kong for their exhibitions; and
- assisting organizers in marketing their events and providing them with customized support; as well as working with the travel trade to provide exhibition visitors with customized travel packages, special offers and hospitality support to enrich their experience, with a view to retaining recurrent events and attracting new ones.

In the past 3 years, MEHK supported more than 3 800 MICE events, with a total of some 930 000 attendees of the events benefitting from its hospitality services. At the same time, MEHK successfully secured a number of major MICE events to stage in Hong Kong, some examples include the 33rd Asia-Pacific Academy of Ophthalmology Congress (scheduled for 2018 with an expected 7 700 overseas delegates), the 2016 Million Dollar Round Table Experience and Global Conference (with an expected 5 000 overseas delegates), and the 38th Asia-Pacific Dental Congress (scheduled for 2016 with an expected 2 400 overseas delegates). Overnight MICE arrivals to Hong Kong registered a continuous growth in the past 3 years (i.e. 2012-2014).

Starting from 2014-15, the Government has allocated the HKTB with an additional annual provision of \$15 million, until 2016-17, to provide the organizers and visitors of MICE

events with more attractive and customized support and value-added offers so as to enhance the competitiveness of Hong Kong in bidding for international MICE events.

The HKTB is bidding for a number of MICE events by deploying the abovementioned fund. As at the first half of March 2015, the HKTB successfully secured 4 major conferences which are expected to attract around 8 000 overseas delegates in total with details as follows

Year of the Event	Name of conference	Expected number of overseas delegates
2015	ASAE Asia-Pacific Great Ideas Conference	250
2015	Asia Pacific Spine Congress & AOSpine Asia Pacific Interactive Courses	1 900
2016	26 th International Congress of the Transplantation Society	4 500
2017	15 th Asian Congress of Urology	1 300

The HKTB will continue making good use of the additional funding so as to bring more international MICE events and visitors to Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)203

(Question Serial No.1354)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

How will the Government allocate resources and funding for training talents for the Meetings, Incentive Travels, Conventions and Exhibitions (MICE) industry in order to meet the need of our tourism industry to move up the value chain?

Asked by: Hon YIU Si-wing (Member Question No. 28)

Reply:

Overnight business and MICE visitors who usually have higher spending power are our prime targets. One of the Government's major tourism development strategies is to further enhance the appeal of Hong Kong as a premier destination for MICE tourism in the region. In view of the growing competition in the MICE industry of the region, nurturing the best talent for the industry is of utmost importance.

In respect of MICE training, at present, the Hong Kong Polytechnic University (PolyU), the Chinese University of Hong Kong (CUHK), the Vocational Training Council (VTC) and the Employees Retraining Board (ERB) all provide courses on MICE. Amongst them, the PolyU has launched Hong Kong's first degree programme on convention and event management.

In respect of tourism and hotel training, at present, the PolyU, CUHK, VTC and ERB also offer related courses on this front. They have been working to upgrade their teaching facilities. The teaching hotels of CUHK, PolyU and VTC have been in operation one after another since 2009, providing practical training opportunities for students with lectures

given personally by hotel executives. The teaching process has become more relevant and inspiring.

The Government will continue to proactively promote exchanges and co-operation amongst training institutions, the travel trade, the Hong Kong Tourism Board, and other relevant stakeholders in order to meet the training needs of the travel trade members and facilitate the overall development of the industry.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)204

(Question Serial No. 1355)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise when will the scale and timetable for phase 2 of the Hong Kong Disneyland expansion plan be made known, and what is the Government's stance on the scale of the expansion?

Asked by: Hon YIU Si-wing (Member Question No. 29)

Reply:

The Government has commenced discussions on the Phase 2 development of the Hong Kong Disneyland Resort with The Walt Disney Company. This phase will cover an estimated area of 60 hectares, similar to that of Phase 1, with attractions, hotel development and retail facilities. The discussions at this stage are exploratory, covering aspects such as the creative concepts, resources required, associated facilities etc. There is no further information to be disclosed for the time being.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)205

(Question Serial No. 1357)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. How much resources will the Hong Kong Tourism Board employ to promote local cruise tourism in this financial year? What measures should be taken to attract more cruise vessels homeporting at Hong Kong?
2. Please provide details of the exhibitions and events to be held at the Kai Tak Cruise Terminal in 2015-16, the anticipated number of participants and the support to be provided by the Government.

Asked by: Hon YIU Si-wing (Member Question No. 31)

Reply:

1. In 2015-16, the major initiatives of the Hong Kong Tourism Board ("HKTB") for promoting cruise tourism include:

(a) Strengthen Hong Kong's image as Asia's cruise hub

- (i) The HKTB will continue to participate in large-scale international industry events, including the Cruise Shipping Miami held in March every year, to promote Hong Kong's appeal and advantages as a cruise destination and to strengthen Hong Kong's image as "Asia's cruise hub".

(b) Foster regional co-operation of cruise tourism

- (i) The HKTB will continue to make use of the “Asia Cruise Fund” which was launched together with the Taiwan Tourism Bureau in April 2014 to provide incentives to encourage cruise lines to develop and promote cruise tourism products which feature the participating ports in the region in order to foster regional co-operation. As at now, Hainan and the Philippines have already announced to join the “Asia Cruise Fund” and hence further extending the scale of the co-operation in the region.
- (ii) In 2015-16, the HKTB will continue to invite other neighbouring ports in the region to join the “Asia Cruise Fund” to further promote the development of cruise tourism in the region, and to encourage more cruise lines to include Hong Kong in their itineraries.

(c) Raise consumers’ awareness of and demand for cruise travel

- (i) Since cruise travel is still an emerging mode of tourism, the HKTB will step up its promotional efforts in South China, Taiwan, India and Southeast Asia, etc, through public relation events, digital marketing and other channels to promote to consumers the uniqueness of cruise travel and the attractiveness of Hong Kong as a cruise destination. The HKTB will also work with the travel trade to promote cruise tourism products which feature Hong Kong in various source markets with a view to attracting more cruise visitors to Hong Kong.

The HKTB’s estimated budget for promoting cruise tourism in 2015-16 is \$13.2 million. Initiatives in this area will be carried out by the HKTB’s Cruise Department and relevant worldwide offices.

- 2. Part of the terminal facilities of the Kai Tak Cruise Terminal, including the areas within the terminal building for holding events, are managed and operated by the terminal operator. Since the commissioning of the Kai Tak Cruise Terminal in mid-2013, over 25 events have been held at the terminal building or its adjoining areas (including Cruise Holiday Expo, car shows, brand promotion events, the welcome reception of the Cruise Shipping Asia Pacific 2014), as well as events organised by non-government organisations. They were well-received by participants. The terminal operator is continuing with its efforts to discuss proactively with different organisations for holding different types of events at the terminal and there are a number of events under planning. Since some of the commercial events under planning cannot be disclosed at this stage, the terminal operator will make public relevant information at suitable junctures.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)206

(Question Serial No. 1358)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please list out the places suitable for the operation of food trucks. Whether there would be a certain proportion prioritized for young people and elderly to apply for setting up such business so as to avoid monopolisation by big companies?

Asked by: Hon YIU Si-wing (Member Question No. 32)

Reply:

Food Truck is a new idea put forth by the Financial Secretary in his 2015-16 Budget Speech. The Commerce and Economic Development Bureau has, in collaboration with the Food and Health Bureau, the Food and Environmental Hygiene Department, the Transport Department and other relevant bureaux and departments, begun studying such aspects as the vehicle specifications and requirements, licensing requirements, mode of operation (including types of operator and locations of operation etc.), food safety and environmental hygiene, etc. with a view to bringing in more diverse delicacies for tourists and citizens. At this stage, we are actively looking into and collecting information on practices and experiences in overseas countries (e.g. North America, Japan, Korea, Europe etc.). The timetable and detailed plan for implementation will be subject to the outcome of the study and whether legislative amendment is required.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)207

(Question Serial No. 1360)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the details of the three new posts to be created in 2015-16, including but not limited to the post titles, pay scales, job contents and expected results of the work to be achieved etc.

Asked by: Hon YIU Si-wing (Member Question No. 34)

Reply:

The details of the 3 new posts to be created under Programmes (6) in 2015-16 are as follows:

Post title	Number of post	Total salary provision (\$)	Job nature and area of work
Senior Administrative Officer (time-limited for 2 years)	1	1,222,560	To provide support to Government's discussions with The Walt Disney Company on the Phase 2 Development of the Hong Kong Disneyland Resort.
Senior Executive Officer (time-limited for 2 years)	1	896,280	
Electrical and Mechanical Engineer (time-limited for 2 years)	1	896,280	To continue to provide technical support to the daily operation of the Kai Tak Cruise Terminal.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)208

(Question Serial No. 1361)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise on the expenditure incurred by the Hong Kong Tourism Board in promoting green tourism in the past three years (i.e. 2012-2013, 2013-2014 and 2014-2015), and the work priorities and effectiveness of the promotion work.

Asked by: Hon YIU Si-wing (Member Question No. 35)

Reply:

The Hong Kong Tourism Board (HKTB) has been promoting the city's nature landscape to visitors, international media and overseas trade partners through various channels such as digital media, marketing promotions, public relations, visitor centres, hotlines and trade activities. In collaboration with the Tourism Commission, the HKTB has been actively promoting Hong Kong's natural-based green tourism products through the HKTB's "Great Outdoors Hong Kong" platform, covering the Hong Kong Global Geopark of China (the "Geopark"), hiking trails and itineraries featuring outlying islands, etc. Detailed marketing activities are as below:

- Targeting visitors and consumers:
To promote various hiking trails and outlying islands, as well as the guided activities and green tourism products of local travel agent and other organisations through different channels, such as digital media, hiking guidebooks, visitor centres and hotlines.

- Targeting overseas media:
To arrange overseas media and online celebrities to experience Hong Kong outlying islands and green attractions.
- Targeting overseas travel trade:
To encourage the overseas travel trade to include elements of green tourism in the itineraries of visitors, including Meetings, Incentive Travels, Conventions and Exhibitions visitors.

In recent years, the HKTB has included the element of green tourism in its promotion initiatives in visitor source markets during key promotional windows. The expenditure related to such promotion is included in the total marketing budget for the year. Resources allocated to the “Great Outdoors Hong Kong” marketing platform in the past three years and key initiatives involved are as follows -

Year	Expenditure	Key initiatives
2012-2013	Around \$500,000	Organised free hiking tours, published “Hong Kong Great Outdoors” hiking guidebook to introduce the Geopark, various hiking trails, island tours, and promoted guided activities and green tourism products arranged by local travel agents and other organisations
2013-2014	Around \$800,000	The promotional window was extended from 5 weeks in 2012-13 to 3.5 months. The HKTB published “Your Guide to Hiking and Cycling in Hong Kong” and organised hiking and cycling tours for visitors in order to promote nature landscape to visitors in a more in-depth way. The HKTB also promoted guided activities and green tourism products arranged by local travel agents and other organisations
2014-2015	Around \$500,000 (revised estimates)	The promotional window was extended to approximately 5 months. The HKTB provided detailed transportation information in its “Your Guide to Hiking and Cycling in Hong Kong” to facilitate visitors to go hiking or cycling on their own and explore outdoor sites in a more convenient way. Also included in the guidebook was information about hiking trails in Tung Ping Chau, Tap Mun and Po Toi Island. The HKTB promoted guided activities and green tourism products arranged by local travel agents and other organisations

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)209

(Question Serial No. 1362)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise in detail how the Hong Kong Tourism Board will make good use of the additional provision of \$80 million and assist Hong Kong's small and medium travel enterprises in participating in promoting Hong Kong and broadening their customer base.

Asked by: Hon YIU Si-wing (Member Question No. 36)

Reply:

The Government will provide an additional funding of \$80 million to the Hong Kong Tourism Board (HKTB) in 2015-16 for strengthening the image of Hong Kong as a premier tourist destination. The HKTB plans to use the additional funding for conducting a series of targeted promotions in major short-haul markets (such as Taiwan, South Korea and various Southeast Asian countries) from April to December 2015, including:

Activity	Estimated costs (\$)
Stepping up overseas media publicity and promotions	20 million
Organising promotion campaigns in two phases, including organising shopping festivals, offering merchandise concessions and electronic discount coupons for visitors in collaboration with the retail industry; advertising and publicising these promotions in the overseas markets	55 million
Arranging large-scale familiarisation tours for overseas travel trade	2.5 million
Expanding the scale of overseas promotion fairs this year and waiving local traders' participation fees	2.5 million

To strengthen the effectiveness of the promotions, the HKTB plans to expand the scale of participation in the consumer fairs and overseas travel trade missions through increasing the size and enhancing the decoration of its booths, renting bigger venues, etc. Initial plans are as follows:

(i) Consumer fairs

Time	Market
April to May 2015	Taiwan: Taichung, Kaohsiung
June 2015	South Korea: Seoul
August to September 2015	Southeast Asia: Singapore, Jakarta, Kuala Lumpur
September 2015	Japan: Tokyo
September 2015	South Korea: Busan
November 2015	Taiwan: Taipei

(ii) Overseas travel trade missions

Time	Market
November to December 2015	Southeast Asia: Manila, Jakarta

To encourage the local travel trade, including small and medium-sized travel agents, to take part in these overseas promotions, the HKTB will waive their participation fees in 2015-16. Besides, the HKTB will also roll out the following initiatives in 2015-16 to create new business opportunities for the local travel trade:

- The HKTB has entered into a strategic partnership with Alipay, one of Mainland’s most important payment platform, and extended its “Hong Kong Value Offer” application to the Alipay Service Counter. Through Alipay, visitors can download related information and coupons offered by Hong Kong’s tourism and related sectors on their phones for use in Hong Kong;
- The HKTB will continue to run the “New Tour Product Development Scheme” to encourage local travel agents, tour operators and receiving agents to develop new, creative themed tour products through subsidising part of the costs for marketing the tours. The HKTB will also promote the tour products rolled out under the scheme in Hong Kong and visitor source markets through its DiscoverHongKong.com website, the PartnerNet website, trade co-operations, public relations channels, etc; and
- The HKTB will promote the themed sightseeing tour products developed by the local travel trade on its “Explore Hong Kong Tours” platform to provide visitors with more choices.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)210

(Question Serial No. 1363)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Would the Hong Kong Tourism Board advise this Committee how it will evaluate the effectiveness of the 3D projection mapping technology, which was introduced using the additional funding received in 2014-2015?

Asked by: Hon YIU Si-wing (Member Question No. 37)

Reply:

In 2014-15, the Hong Kong Tourism Board (HKTB) rolled out 3 rounds of the Hong Kong Pulse 3D Light Show. Four shows were staged every evening in the following periods with each show lasting for about 15 minutes:

- Round 1: 29 October to 16 November 2014 (covering the Hong Kong Wine and Dine Festival);
- Round 2: 17 to 29 December 2014 (covering the Hong Kong WinterFest); and
- Round 3: 12 to 17 February 2015 and 21 February to 18 March 2015 (covering the Hong Kong Chinese New Year Celebrations)

During the staging of the event, the HKTB engaged an independent marketing research company to collect statistics and conduct interviews to gauge the views of local residents and visitors on-site. The first 2 rounds of the show (totalling 32 days) were viewed by over 400 000 spectators. The average satisfaction rating of the show was 8.7 out of 10 points. The statistics for the third round are still under compilation.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)211

(Question Serial No. 1365)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As the major shareholder of the Ocean Park Hong Kong and the Hong Kong Disneyland, has the Hong Kong Government requested them to allocate a certain part of their annual estimated expenditure for participating in charity work? If yes, what is the situation over the past 5 years? If no, what are the reasons?

Asked by: Hon YIU Si-wing (Member Question No. 39)

Reply:

The Ocean Park Corporation is an independent statutory body while the HKDL is jointly owned by the Government and The Walt Disney Company. Both of them organise from time to time various programmes which benefit the community.

The Ocean Park has been actively taking part in charity activities, including giving donation-in-kind to charitable organisations, offering special rates for school tours, and spearheading many other community caring projects. It also offers a wide range of concessionary measures to Hong Kong residents, including free admission to senior citizens aged 65 years or above and holders of Registration Card for Persons with Disabilities, and members of families receiving assistance from the Comprehensive Social Security Assistance Scheme may visit the park at a nominal admission price of \$20. All Hong Kong residents may also enjoy free admission on their birthdays. In the last 5 fiscal years, the Ocean Park's expenditure allocated for the aforementioned social care programmes amounts to a total of \$618 m.

Besides, the Ocean Park has been providing ongoing support for the Ocean Park Conservation Foundation, Hong Kong (“OPCFHK”), whose work in subsidising and initiating conservation advocacy and action has been expanding. The Ocean Park annually donates to OPCFHK a portion of the Park’s admission revenue, panda merchandise sales proceeds, revenue from food and beverage and animal encounter programmes; and the admission revenue from the annual Conservation Day held in January every year in full. In the last 5 fiscal years, OPCFHK received donations of over \$56 m from the Ocean Park.

The Hong Kong Disneyland (“HKDL”) has also been very active in organising and participating in charity activities. Disney VoluntEARS has provided more than 45 000 hours of charity services since its establishment. The HKDL has been offering “Give a Day, Get a Disney Day” scheme in collaboration with the Agency for Volunteer Service, generating close to 5 million hours of volunteer hours in the past 5 fiscal years. The HKDL has launched “Community Involvement Program” since 2009, which provides complimentary tickets, through registered charitable non-profit organisations, to the underprivileged including low-income families, single-parent families, and those with disabilities. More than 100 000 underprivileged benefited from this programme and visited the park in the past fiscal year. In February this year, the HKDL allocated more than \$2.5 m to support organisations such as the Hong Kong Design Centre and the Hong Kong Federation of Youth Groups to roll out a series of youth activities in this year.

Furthermore, the HKDL has, since December 2013, collaborated with a local charity organisation to collect surplus food from the HKDL’s hotels and restaurants in the park. The surplus food would be processed and turned into dishes by HKDL chefs in their own time, for sharing with families in need in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)212

(Question Serial No. 3886)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (000) Operational expenses

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to the Policy Address, the Government has altogether 11 overseas Economic and Trade Offices (ETOs). In the light of the shift of the global economic balance towards the east, Hong Kong needs to increase the number of offices in the Asian region. In this regard, would the Government:

- (1) tabulate the operating expenditures for each of the overseas ETOs in Brussels, Geneva, Berlin, London, New York, San Francisco, Washington, Singapore, Sydney, Tokyo and Toronto in the past year and the estimated expenditures for various offices in the coming year, including the types and numbers of posts, salaries, allowances and job nature of the staff members in these offices; and
- (2) provide details of the increase of the number of offices in the Asian region, including the estimated operating expenditure and manpower arrangement involved; and would the new office(s) be set up in South Korea, India or ASEAN countries?

Asked by: Hon CHAN Chi-chuen (Member Question No. 51)

Reply:

- (1) The distribution of 2014-15 revised estimate and 2015-16 estimate for the 11 overseas ETOs under Subhead 000 Operational Expenses are tabulated below.

	ETOs											
	Brussels	Geneva	Berlin	London	New York	San Francisco	Washington	Singapore	Sydney	Tokyo	Toronto	Total
2014-15 revised estimate Operational Expenses (\$ million)	35.3	39.5	24.4	39.0	27.4	23.9	38.7	21.1	25.2	34.8	18.9	328.2
2015-16 estimate Operational Expenses (\$ million)	37.4	40.0	24.6	36.3	29.5	26.9	38.3	24.7	25.7	34.6	19.3	337.3

The distribution of 2014-15 revised estimate and 2015-16 estimate for the 11 overseas ETOs under Personal Emoluments within the provision under Subhead 000 Operational Expenses are tabulated below.

	ETOs											
	Brussels	Geneva	Berlin	London	New York	San Francisco	Washington	Singapore	Sydney	Tokyo	Toronto	Total
2014-15 revised estimate Personal Emoluments (\$ million)	20.2	22.9	5.7	21.0	12.4	14.7	21.3	11.0	10.9	13.7	9.0	162.8
2015-16 estimate Personal Emoluments (\$ million)	21.3	23.5	6.1	17.2	13.6	15.9	22.0	12.1	11.2	13.7	9.1	165.7

At present, the 11 existing ETOs have a total establishment of 150, including Hong Kong-based staff and locally engaged staff responsible for commercial relations, public relations, investment promotion and general administrative work.

- (2) With the gradual shift of the focus of global economic development to the Asian region, we plan to set up a new ETO in the Asian region to strengthen trade relations and promote Hong Kong. As the setting up of an ETO involves huge amount of

resources and complicated procedures, the Government has to proceed carefully. We will decide on the location and make the necessary preparation as soon as possible. The annual estimated provision for the new ETO is \$19.39 million, including estimated personal emoluments and operational expenses etc. It is anticipated that the staff establishment of the new ETO will be comparable to that of other ETOs of similar scale.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4362)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (661) Minor plant, vehicles and equipment(block vote)

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to the Programme, the provision of \$523,000 under Subhead 661 Minor plant, vehicles and equipment (block vote) represents a decrease of \$148,000 (22.1%) against the revised estimate for 2014-15, and this is mainly due to the difference in replacement cost in respect of the office cars for Washington ETO in 2014-15 and San Francisco ETO in 2015-16. In this regard, please advise this Committee of:

- (1) the model, type and price of the office car newly purchased by Washington ETO;
- (2) the model, type and price of the office car newly purchased by San Francisco ETO.

Asked by: Hon CHAN Chi-chuen (Member Question No. 52)

Reply:

The Washington ETO replaced the office car with a Lexus LS 460 at the total cost (including tax) of about \$584,000 in 2014-15, which was less than the 2014-15 revised estimate of \$671,000 by \$87,000 (13%).

The San Francisco ETO plans to replace its existing office car in 2015-16. SFETO will comply with established government procurement regulations and procedures in purchasing of a suitable vehicle at an estimated cost of about \$523,000.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)214

(Question Serial No. 2019)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget Speech that “last year, the Hong Kong Economic and Trade Office in Singapore started to arrange internships in ASEAN countries to broaden the international horizons of university students of Hong Kong and enhance their understanding of ASEAN countries. The inaugural round of the scheme saw 90 students taking up internships. A total of 250 internship places will be available in 2015-16.”, will the Administration inform this Committee:

- (a) what kind of support will be provided to the outgoing students, what experience would they get and what activities would they involve, what is the number and the age group of the benefited students.
- (b) what countries and organizations would the Administration approach and what is manpower and expenditure involved?

Asked by: Hon CHAN Han-pan (Member Question No. 20)

Reply:

The ASEAN Internship for University Students of Hong Kong Scheme (Internship Scheme) was initiated by the Hong Kong Economic and Trade Office in Singapore (Singapore ETO) in 2014-15. The Internship Scheme aims to broaden the international horizons of university students of Hong Kong and enhance their understanding of ASEAN countries. The Singapore ETO disseminates information on the internships secured to the 8 University Grants Committee (UGC)-funded institutions while the logistical arrangement (including

matching of students with host organizations and students' itineraries, etc.) are directly handled by the concerned student and/or respective institution with the host organization. Since the liaison and promotion work are an integral part of the Singapore ETO's work, the implementation of the Internship Scheme has not incurred any additional manpower or expenditure.

The Hong Kong university students who joined the inaugural round were from 7 UGC-funded institutions (including City University of Hong Kong, Hong Kong Baptist University, Lingnan University, The Chinese University of Hong Kong, The Hong Kong Polytechnic University, The Hong Kong University of Science and Technology and The University of Hong Kong). The students belonged to different faculties and years of study, and they were mainly youngsters undertaking undergraduate programmes. They took up internships in private companies (including for example those in finance, hospitality, aviation and retail industries), international organizations, academic institutions, and arts and cultural organizations, etc. These organizations were located in 7 ASEAN countries (including Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand and Vietnam).

A total of 250 internship places will be available in 2015-16 in 9 ASEAN countries (including Brunei, Cambodia, Indonesia, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam). The industries involved will also increase to cover for instance start-ups and logistics. The host organizations will liaise with the institutions/students directly on the detailed content of the internship.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)215

(Question Serial No. 3229)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-)

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government advise this Committee of the operational expenses, staff establishments and estimated emolument expenses allocated to the 11 overseas offices respectively in 2015-16?

Asked by: Hon CHAN Wai-yip, Albert (Member Question No. 54)

Reply:

Under Programme (1) Commercial Relations, the distribution of 2015-16 estimate of the financial provision for the 11 overseas ETOs are tabulated below.

	ETOs											
	Brussels	Geneva	Berlin	London	New York	San Francisco	Washington	Singapore	Sydney	Tokyo	Toronto	Total
<i>(1) Commercial Relations</i>												
2015-16 estimate Financial Provision (\$ million)	15.3	38.1	10.0	14.8	9.1	9.8	23.1	11.3	10.5	14.1	7.9	164.0

Under Programme (1) Commercial Relations, the total establishment and the estimated expenditure on personal emoluments in 2015-16 for the 11 ETOs are 72 posts and \$83.6 million respectively.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)216

(Question Serial No. 4738)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this programme, one of the matters requiring special attention in 2015-16 is to set up a new Economic and Trade Office (ETO) in Asia.

Please advise this Council of the following:

- (1) What are the operational expenses, staffing and estimated expenditure on annual emoluments of existing ETOs?
- (2) In which Asian city will the new ETO be set up?
- (3) What will be the operational expenses, staffing and estimated expenditure on annual emoluments of the new ETO?

Asked by: Hon CHAN Wai-yip, Albert (Member Question No. 138)

Reply:

- (1) The financial provision in 2015-16 under Programme (1) Commercial Relations for the 11 existing Hong Kong Economic and Trade Offices (ETOs) is \$164 million, including estimated personal emoluments of \$83.6 million. The staff establishment under Programme (1) as at 31.3.2016 will be 72.
- (2)-(3) With the gradual shift of the focus of global economic development to the Asian region, we plan to set up a new ETO in the Asian region to strengthen trade relations and promote Hong Kong. As the setting up of an ETO involves huge

amount of resources and complicated procedures, the Government has to proceed carefully. We will decide on the location and make the necessary preparation as soon as possible. The annual estimated provision for the new ETO is \$19.39 million, including estimated personal emoluments and operational expenses etc. It is anticipated that the staff establishment of the new ETO will be comparable to that of other ETOs of similar scale.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)217

(Question Serial No. 7077)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Regarding sponsoring youths taking up internships in ASEAN countries, please advise:
 - 1.1 Does the sponsorship scheme for youth internships in ASEAN countries sponsor 10-week internships in 2015-16 as it did in 2014?
 - 1.2 What is the amount of sponsorship for each youth participating in the sponsorship scheme? What is the total estimated expenditure for the scheme in 2015-16?
 - 1.3 Is there any review mechanism for the scheme? By what means will the effectiveness of the scheme be measured?

Asked by: Hon CHEUNG Kwok-che (Member Question No. 838)

Reply:

The ASEAN Internship for University Students of Hong Kong Scheme (Internship Scheme) was initiated by the Hong Kong Economic and Trade Office in Singapore (Singapore ETO) in 2014-15. The Internship Scheme aims to broaden the international horizons of university students of Hong Kong and enhance their understanding of ASEAN countries. The duration of internship is normally 4 to 14 weeks. Individual host organizations may liaise with the institutions/students directly on internship with a longer duration.

The Singapore ETO disseminates information on the internships secured to the 8 University Grants Committee (UGC)-funded institutions while the logistical arrangement (including matching of students with host organizations and students' itineraries, etc.) are directly handled by the concerned student and/or respective institution with the host organization. The institutions and host organizations can decide whether to provide allowance to the student interns, and no allowance will be provided by the Government. Since the liaison and promotion work are an integral part of the Singapore ETO's work, the implementation of the Internship Scheme has not incurred any additional expenditure.

After the inaugural round, the Singapore ETO had conducted a survey to gather views from the 8 participating UGC-funded institutions, host organizations and student interns. The feedbacks received were generally positive. The Singapore ETO will continue to seek more internship opportunities through its long-established network in ASEAN countries, and gather feedback through the above means with a view to fine-tuning the Internship Scheme.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)218

(Question Serial No. 1051)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Central Government has put forward the initiatives of building the Silk Road Economic Belt and the 21st Century Maritime Silk Road (“One Belt One Road” in short). Regarding our overseas Economic and Trade Offices’ efforts to develop commercial relations in the 2015-16 financial year, have resources been earmarked for the promotion of Hong Kong to countries along the “One Belt One Road”? If yes, what are the details? If not, what are the reasons?

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. 29)

Reply:

For the European region, the Hong Kong Economic and Trade Offices (ETOs) in Brussels, London and Berlin are committed to promoting economic and trade relations between Hong Kong and Europe, including countries covered by the Silk Road Economic Belt and the 21st Century Maritime Silk Road (“One Belt One Road”). In 2015-16, the ETOs will continue to step up liaison with the government and chambers of commerce of the relevant countries to identify new opportunities, and organize business seminars and publicity events to promote Hong Kong’s advantages for doing business under “one country, two systems”, with the aim of encouraging European enterprises to invest in Hong Kong or use the financial and professional services provided by Hong Kong to expand their business in Mainland China. As for the Asian region, the Singapore ETO actively promotes commercial relations in the ASEAN market, and one of the key focuses is logistics services which are essential in facilitating trade. Building on our connectivity and infrastructure, Hong Kong is a preferred international and regional logistics hub and a supply-chain base. The Singapore ETO will continue its work in this regard under the “One Belt One Road” initiative.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)219

(Question Serial No. 2559)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations, (3) Investment Promotion

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2015-16, a new Economic and Trade Office (ETO) will be set up in Asia to strengthen Hong Kong's representation to capitalise on the new business and trade opportunities in the Asian region. Please inform this Committee of the details, the specific work plans and the expenditure involved. As for investment promotion, the overseas ETOs will continue to work closely with Invest Hong Kong to step up their efforts in attracting overseas companies to set up and expand their operations in Hong Kong and access opportunities on the Mainland and elsewhere in Asia. What were the progress and effectiveness of the work in the past year? What are the specific plans for 2015-16? What is the expenditure involved?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 60)

Reply:

With the gradual shift of the focus of global economic development to the Asian region, we plan to set up a new Economic and Trade Office (ETO) in the Asian region to strengthen trade relations and promote Hong Kong. As the setting up of an ETO involves huge amount of resources and complicated procedures, the Government has to proceed carefully. We will decide on the location and make the necessary preparation as soon as possible. The annual estimated provision for the new ETO is \$19.39 million, including estimated personal emoluments and operational expenses etc.

On the investment promotion front, Invest Hong Kong (InvestHK) has been working closely with the ETOs in attracting and assisting overseas companies to set up and expand their operation in Hong Kong, and use Hong Kong as a platform to access opportunities on the

Mainland and elsewhere in Asia. The investment promotion efforts were effective in enhancing the understanding of companies in those regions about Hong Kong's investment environment and the advantages of investing in Hong Kong. In 2014, the number of projects completed with the support of the 9 Investment Promotion Units (IPUs) based in the overseas ETOs was 175, accounting for 49.3% of the department's total.

In 2015-16, InvestHK will continue to conduct a wide range of investment promotion programmes in various overseas markets with the support of the 9 IPUs, including marketing campaigns, seminars and investment promotion visits to promote Hong Kong's business advantages, and to attract and assist more overseas companies to set up or expand their operation in Hong Kong.

The estimated expenditure of InvestHK for conducting related investment promotion work in 2015-16 is around \$4.32 million. In addition, the financial provision under Programme (3) Investment Promotion under Head 96 is \$58.3 million which is mainly for expenses on investment promotion work, salaries, allowances and other general operating expenses. We are unable to provide separate breakdowns for individual areas.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)220

(Question Serial No. 3266)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (3) Investment Promotion

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2015-16, the overseas Economic and Trade Offices (ETOs), including the new ETO to be set up in Asia, will continue to work closely with Invest Hong Kong to step up their efforts in attracting overseas companies to set up and expand their operations in Hong Kong and access opportunities on the Mainland and elsewhere in Asia. What are the specific work plans of the overseas ETOs and the estimated expenditures involved for the coming year? What were the expenditures and numbers of staff of the overseas ETOs for the past 5 years? How many overseas companies have set up or expanded their operations in Hong Kong through the assistance of the overseas ETOs? What actual benefits did they bring to the local economy?

Asked by: Hon LAM Tai-fai (Member Question No. 23)

Reply:

In 2015-16, Invest Hong Kong (InvestHK) will continue to conduct a wide range of investment promotion programmes in various overseas markets with the support of the 9 Investment Promotion Units (IPUs) based in the overseas Hong Kong Economic and Trade Office (ETOs), including marketing campaigns, seminars and investment promotion visits to promote Hong Kong's business advantages, and to attract and assist more overseas companies to set up or expand their operation in Hong Kong.

The estimated expenditure of InvestHK for conducting related investment promotion work in 2015-16 is around \$4.32 million. In addition, the financial provision under Programme (3) Investment Promotion under Head 96 is \$58.3 million which is mainly for expenses on investment promotion work, salaries, allowances and other general operating expenses. We are unable to provide separate breakdowns for individual areas.

The actual expenditure / revised estimated expenditure incurred in the past 5 years is as follows:

Actual expenditure (HK\$ million)				Revised estimated expenditure (HK\$ million)
2010-11	2011-12	2012-13	2013-14	2014-15
3.8	5.1	4.4	4.3	4.3

The number and rank of staff involved are as follows:

Rank of staff	Number of staff				
	2010-11	2011-12	2012-13	2013-14	2014-15
Investor Relations Officer	8	8	8	9	9
Investor Support Officer	10	11	10	10	10
Investment Promotion Assistant	3	3	3	5	6
Total	21	22	21	24	25

In the past 5 years, InvestHK has completed a total of 845 projects (i.e. setting up or expanding their operation in Hong Kong) with the assistance of the overseas ETOs. These projects led to the creation of over 7 000 jobs within the first year of operation or expansion of the companies concerned and brought more than \$12 billion of inward direct investment.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)221

(Question Serial No. 2894)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget that we will continue with arranging internships in ASEAN countries for university students of Hong Kong; and the places of internship will increase to 250 in 2015-16. Is government funding involved in the project? If yes, what is the estimated amount in 2015-16?

Asked by: Hon LEUNG Kenneth (Member Question No. 2.05)

Reply:

The ASEAN Internship for University Students of Hong Kong Scheme (Internship Scheme) was initiated by the Hong Kong Economic and Trade Office in Singapore (Singapore ETO) in 2014-15. The Internship Scheme aims to broaden the international horizons of university students of Hong Kong and enhance their understanding of ASEAN countries.

The Singapore ETO disseminates information on the internships secured to the 8 University Grants Committee (UGC)-funded institutions while the logistical arrangement (including matching of students with host organizations and students' itineraries, etc.) are directly handled by the concerned student and/or respective institution with the host organization. The institutions and host organizations can decide whether to provide allowance to the student interns, and no allowance will be provided by the Government. Since the liaison and promotion work are an integral part of the Singapore ETO's work, the implementation of the Internship Scheme has not incurred any additional expenditure.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)222

(Question Serial No. 0374)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2015-16, how will the Government make use of provisions to:

1. counter protectionism in Hong Kong's major markets, as well as to represent Hong Kong and provide support to the Commerce and Economic Development Bureau and as appropriate, its family of departments on issues of special interests on the bilateral, plurilateral and multilateral fronts; and
2. set up a new Economic and Trade Office in Asia to strengthen Hong Kong's representation to capitalise on the new business and trade opportunities in the Asian region?

Asked by: Hon LEUNG Kwan-yuen, Andrew (Member Question No. 11)

Reply:

1. Hong Kong is an externally oriented economy. We have spared no efforts in promoting free trade and countering protectionism as well as actively participating in credible global multilateral trading system and major regional organizations. Hong Kong is a founding member of the World Trade Organization (WTO). We have also been an active member of major regional organizations such as the Asia-Pacific Economic Cooperation (APEC), the Pacific Economic Cooperation Council (PECC), the World Customs Organization (WCO), etc. Our overseas Economic and Trade Offices (ETOs) will actively pursue negotiations for free trade agreements between Hong Kong and its major markets to liberalize trade in goods and services, as well as investments; and continue to closely monitor the implementation of the import regulations of the countries under their purview, report timely to the Hong Kong authorities and share updates with relevant sectors. The ETOs will also promote

Hong Kong through activities such as business seminars, networking receptions and thematic events.

2. With the gradual shift of the focus of global economic development to the Asian region, we plan to set up a new ETO in the Asian region to strengthen trade relations and promote Hong Kong, with a view to helping our businessmen and investors tap the Asian markets and promoting Hong Kong's economic and trade interests in the Asian region.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)223

(Question Serial No. 0375)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (3) Investment Promotion

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The objective of setting up overseas Economic and Trade Offices (ETOs) is to attract foreign direct investment to Hong Kong and to promote Hong Kong's many advantages as a regional hub and the preferred business location in Asia. How will the ETOs make use of the estimated provision for 2015-16 to attract overseas companies to set up and expand their operations in Hong Kong and access opportunities on the Mainland and elsewhere in Asia?

Asked by: Hon LEUNG Kwan-yuen, Andrew (Member Question No. 12)

Reply:

In 2015-16, Invest Hong Kong (InvestHK) will continue to conduct a wide range of investment promotion programmes in various overseas markets with the support of the 9 Investment Promotion Units (IPUs) based in the overseas Hong Kong Economic and Trade Office, including marketing campaigns, seminars and investment promotion visits to promote Hong Kong's business advantages, and to attract and assist more overseas companies to set up or expand their operation in Hong Kong.

The estimated expenditure of InvestHK for conducting related investment promotion work in 2015-16 is around \$4.32 million. In addition, the financial provision under Programme (3) Investment Promotion under Head 96 is \$58.3 million which is mainly for expenses on investment promotion work, salaries, allowances and other general operating expenses. We are unable to provide separate breakdowns for individual areas.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)224

(Question Serial No. 0378)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The provision under Programme (1) Commercial Relations for 2015-16 is \$171.3 million. Will the Government advise on the following:

- (1) the detailed account of how the overseas Economic and Trade Offices (ETOs) will promote Hong Kong's trading and commercial interests outside Hong Kong;
- (2) how will the ETOs promote Hong Kong's cultural industries; and
- (3) whether the Government will consider setting up ETOs in the Middle East, Russia and South America, in addition to those in Brussels, Geneva, Berlin, London, New York, San Francisco, Washington, Singapore, Sydney, Tokyo and Toronto. If yes, what is the timetable? If not, what are the reasons?

Asked by: Hon LEUNG Kwan-yuen, Andrew (Member Question No. 15)

Reply:

- (1) Our overseas Economic and Trade Offices (ETOs) (except the Geneva ETO which specializes in World Trade Organization matters) maintain close liaison with local government officials, business chambers and the media on a regular basis, and collaborate closely with other Hong Kong overseas agencies, such as Invest Hong Kong, Hong Kong Trade Development Council, Hong Kong Tourism Board, etc. in organizing and co-organizing a range of promotional activities, e.g. seminars, luncheons, thematic events, etc. to brief the local enterprises on the latest developments of Hong Kong and our advantages in various aspects, encourage them to conduct business and invest in Hong Kong, and highlight Hong Kong's position as an international financial and business hub.

- (2) Apart from enhancing Hong Kong's economic and trade relationships with foreign countries, our overseas ETOs (except the Geneva ETO) also assisted in promoting local cultural and creative industries and cultural exchanges. From time to time, ETOs organize and sponsor different cultural and art events in the countries / cities under their respective charge, including film festivals, concerts, dance performances, art exhibitions, dragon boat races, etc., and have invited famous Hong Kong film directors, actors, designers, etc. to participate in the related events. Our ETOs have also supported local cultural and art groups in overseas exchanges, for instance, arranging the students of Hong Kong Academy for Performing Arts, Zuni Icosahedron, the Hong Kong Children's Symphony Orchestra, City Contemporary Dance Company, Asian Youth Orchestra, Hong Kong fusion band SIU2, drama groups, etc. to perform in different cities. Our ETOs will continue to promote Hong Kong's cultural and art achievements and characteristics, and support our local cultural and art industry to tap the overseas market.
- (3) At present, there are 11 overseas ETOs covering the major trading partners of Hong Kong. In view of the closer trade relations between Hong Kong and the Asian region and the greater development potential, we will first consider setting up a new ETO in the Asian region. We will continue to monitor the developments in other emerging economies and make the best use of existing resources to enhance coverage and liaison work.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)225

(Question Serial No. 2171)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (000) Operational expenses

Programme: (1) Commercial Relations, (2) Public Relations
(3) Investment Promotion

Controlling Officer: Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise this Committee, in tabular form, on the estimated expenditure in respect of the following units in 2015-16, with information on staff establishment, ranks, salaries, relevant allowances and the amount of personnel related expenses:

1. Hong Kong Economic and Trade Office-Berlin
2. Hong Kong Economic and Trade Office-Brussels
3. Hong Kong Economic and Trade Office-Geneva
4. Hong Kong Economic and Trade Office-London
5. Hong Kong Economic and Trade Office-New York
6. Hong Kong Economic and Trade Office-San Francisco
7. Hong Kong Economic and Trade Office-Singapore
8. Hong Kong Economic and Trade Office-Sydney
9. Hong Kong Economic and Trade Office-Tokyo
10. Hong Kong Economic and Trade Office-Toronto
11. Hong Kong Economic and Trade Office-Washington

Asked by: Hon LEUNG Kwok-hung (Member Question No. 519)

Reply:

At present, the 11 existing overseas Economic and Trade Offices (ETOs) have a total establishment of 150, including Hong Kong-based staff (with officers from the Administrative Officer, Trade Officer, Executive Officer, Information Officer and Investment Promotion Project Officer grades) and locally engaged staff.

The distribution of 2015-16 estimate for the 11 overseas ETOs in respect of personal emoluments and personnel related expenses under Subhead 000 Operational expenses are tabulated below.

	ETOs											Total
	Brussels	Geneva	Berlin	London	New York	San Francisco	Washington	Singapore	Sydney	Tokyo	Toronto	
2015-16 estimate Personal Emoluments ⁽¹⁾ (\$ million)	21.3	23.5	6.1	17.2	13.6	15.9	22.0	12.1	11.2	13.7	9.1	165.7
2015-16 estimate Personnel Related Expenses ⁽²⁾ (\$ million)	1.3	0.6	0.3	0.6	0.4	0.5	0.6	0.9	0.2	0.8	0.3	6.5

Note:

- (1) Total expenditure on personal emoluments includes salaries, allowances and job-related allowances (where appropriate).
- (2) Total expenditure on personnel related expenses includes Mandatory Provident Fund contribution, Civil Service Provident Fund contribution and Disturbance allowance (where appropriate).

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)226

(Question Serial No. 0333)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the respective expenditures/estimated expenditures of all overseas Hong Kong Economic and Trade Offices (ETOs) in performing the main duties below over the past three years (including 2015-16), and the respective percentages of such expenditures out of the total expenditures of the ETOs concerned:

- (a) identifying, developing and cultivating contacts with host governments;
- (b) representing Hong Kong at international trade organisations and assisting officers from Hong Kong in negotiating trade agreements;
- (c) monitoring and reporting on developments which are likely to affect Hong Kong's trade and economic interests, and lobbying and negotiating with their hosts on specific trade and economic issues;
- (d) maintaining liaison with other governments and organisations in order to further Hong Kong's trade and economic interests; and
- (e) promoting the business opportunities arising from the Mainland and Hong Kong Closer Economic Partnership Arrangement.

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 16)

Reply:

Under Programme (1) Commercial Relations, the distribution of 2013-14 actual expenditure, 2014-15 revised estimate and 2015-16 estimate for the overseas ETOs are tabulated below.

	ETOs											
	Brussels	Geneva	Berlin	London	New York	San Francisco	Washington	Singapore	Sydney	Tokyo	Toronto	Total
<u>(1) Commercial Relations</u>												
2013-14 actual Financial Provision (\$ million)	13.7	31.3	9.9	16.1	9.6	9.2	17.3	8.9	10.7	15.9	7.5	150.1
2014-15 revised estimate Financial Provision (\$ million)	14.3	37.9	9.8	15.8	8.3	8.5	23.8	9.6	8.9	14.0	7.6	158.5
2015-16 estimate Financial Provision (\$ million)	15.3	38.1	10.0	14.8	9.1	9.8	23.1	11.3	10.5	14.1	7.9	164.0⁽¹⁾

Note:

(1) This does not include the provision of \$7.3 million earmarked in 2015-16 under Programme (1) Commercial Relations for the new ETO to be set up in Asia.

Provisions for individual ETOs are mainly for the salaries, allowances and other integrated operating expenses of the ETOs. We are unable to provide separate breakdowns for individual ETOs by individual work areas.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)227

(Question Serial No. 0334)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 113 of the Budget Speech that the Hong Kong Economic and Trade Office in Singapore has launched a scheme to arrange internships in ASEAN countries for university students of Hong Kong. In this connection, please provide information on: (a) the annual expenditure/estimated expenditure of the scheme since its launch (including 2015-16); (b) the details of last year's inaugural round of the scheme, including the institutions and faculties or departments to which the 90 participants belonged, the year of study of these participants and the countries in which these participants took up internships; (c) the details of the work involved in the internships and the nature of the organisations that provided internship places; (d) the details of the scheme for 2015-16, including the countries and organisations in which the 250 internship places will be provided, and the nature of the participating organisations.

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 17)

Reply:

The ASEAN Internship for University Students of Hong Kong Scheme (Internship Scheme) was initiated by the Hong Kong Economic and Trade Office in Singapore (Singapore ETO) in 2014-15. The Internship Scheme aims to broaden the international horizons of university students of Hong Kong and enhance their understanding of ASEAN countries. The Singapore ETO disseminates information on the internships secured to the 8 University Grants Committee (UGC)-funded institutions while the logistical arrangement (including matching of students with host organizations and students' itineraries, etc.) are directly handled by the concerned student and/or respective institution with the host organization. Since the liaison and promotion work are an integral part of the Singapore ETO's work, the implementation of the Internship Scheme has not incurred any additional expenditure.

The Hong Kong university students who joined the inaugural round were from 7 UGC-funded institutions (including City University of Hong Kong, Hong Kong Baptist University, Lingnan University, The Chinese University of Hong Kong, The Hong Kong Polytechnic University, The Hong Kong University of Science and Technology and The University of Hong Kong). The students belonged to different faculties and years of study. They took up internships in private companies (including for example those in finance, hospitality, aviation and retail industries), international organizations, academic institutions, and arts and cultural organizations, etc. These organizations were located in 7 ASEAN countries (including Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand and Vietnam). The duration of internship was normally 4 to 14 weeks, and the host organizations liaised with the institutions/students directly on the job scope.

A total of 250 internship places will be available in 2015-16 in 9 ASEAN countries (including Brunei, Cambodia, Indonesia, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam). The industries involved will also increase to cover for instance start-ups and logistics. The host organizations will liaise with the institutions/students directly on the detailed content of the internship.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)228

(Question Serial No. 2678)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (a) Please list the expenditure and manpower involved in the promotion of local cultural and creative industries, local culture and exchanges by overseas Economic and Trade Offices (ETOs) in the past year, and the percentage of the total expenditure that such expenditure represented.
- (b) What concrete plans do the overseas ETOs have for the promotion of local cultural and creative industries, local culture and exchanges this year? What are the estimated expenditure and manpower involved?
- (c) Have local cultural organisations contacted the overseas ETOs in the past to reflect the need to conduct cultural exchanges and promote local culture overseas? If yes, what was the number of contacts made? How would the Government meet this need?

Asked by: Hon MA Fung-kwok (Member Question No. 1.35)

Reply:

- (a) In the past year (2014-15), apart from enhancing Hong Kong's economic and trade relationships with foreign countries, our overseas Economic and Trade Offices (ETOs) (except the Geneva ETO which specializes in World Trade Organization matters) also assisted in promoting local cultural and creative industries and cultural exchanges. From time to time, the ETOs organized and sponsored different cultural and art events in the countries / cities under their respective charge, including film festivals, concerts, dance performances, art exhibitions, dragon boat races, etc., and invited famous Hong Kong film directors, actors, designers, etc. to participate in the related events. The ETOs also supported local cultural and art groups in overseas exchanges, for instance,

arranging the students of Hong Kong Academy for Performing Arts, Zuni Icosahedron, the Hong Kong Children's Symphony Orchestra, City Contemporary Dance Company, Asian Youth Orchestra, Hong Kong fusion band SIU2, drama groups, etc. to perform in different cities. These promotion efforts are part of the overall work of ETOs in Public Relations, and the expenditure and number of staff involved cannot be accurately and separately itemized.

- (b) In 2015-16, our ETOs will continue to promote Hong Kong's art and cultural achievements and characteristics, and support our local creative industries to tap the overseas market. Since relevant work has been included in the overall work of ETOs in Public Relations, the expenditure and number of staff involved cannot be accurately and separately estimated.
- (c) Over the years, our ETOs have been in close contact with different cultural organizations in Hong Kong to provide support for their cultural exchanges in overseas countries, although relevant statistics are not available. In general, the ETOs would respond positively to requests raised by these organizations and provide assistance as appropriate, taking into account various factors such as resources and manpower arrangement, the cultural environment of different overseas countries, etc. The ETOs would liaise with relevant local partners and other local art and cultural bodies to facilitate cultural exchanges and cooperation, provide assistance in publicity work through different channels, and support or co-organize events, etc. in order to promote Hong Kong's cultural and creative industries overseas.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)229

(Question Serial No. 2730)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (3) Investment Promotion

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In respect of investment promotion, please provide the following information:

The net inflow and outflow of foreign direct investment in Hong Kong in the past year, their trends, their differences from previous years and the reasons behind them.

Asked by: Hon QUAT Elizabeth (Member Question No. 58)

Reply:

Statistics on Hong Kong's direct investment inflow, outflow and net flow (inflow minus outflow) over the last few years are as follows:

Year	Direct investment inflow (HK\$ Billion)	Direct investment outflow (HK\$ Billion)	Net flow of direct investment* (inflow minus outflow) (HK\$ Billion)
2009	420.7	449.1	-28.4
2010	642.6	764.6	-122.0
2011	748.2	746.4	1.9
2012	580.9	683.5	-102.6
2013	596.1	646.3	-50.3

Notes: * A positive value represents net inflow whereas a negative value represents net outflow.

Individual figures may not add up to the total due to rounding.

Net direct investment flow is affected by factors including the economic and investment environment of Hong Kong as well as those of overseas economies. As such, the net flow of direct investment tends to vary in different years.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)230

(Question Serial No. 0112)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Administration proposed to enlarge the scheme of internships in Association of Southeast Asian Nations (ASEAN) member countries in the year of 2015-16. In this connection, will the Administration inform this Committee :

- (a) the industries that the students were working in during the internships last year; whether there will be more corporations in ASEAN member countries to join the scheme and provide internship places; if yes, please provide the details and the industries they belong to;
- (b) whether it had reviewed the effectiveness of the scheme. If yes, please provide the details; given that the 2 months of internship period is considered to be short, whether it has plans to extend the duration of internships that enables the students to have an in-depth understanding of local culture?

Asked by: Hon SHEK Lai-him, Abraham (Member Question No. 43)

Reply:

The ASEAN Internship for University Students of Hong Kong Scheme (Internship Scheme) was initiated by the Hong Kong Economic and Trade Office in Singapore (Singapore ETO) in 2014-15. The Internship Scheme aims to broaden the international horizons of university students of Hong Kong and enhance their understanding of ASEAN countries. The Singapore ETO disseminates information on the internships secured to the 8 University Grants Committee (UGC)-funded institutions. The duration of internship is normally 4 to 14 weeks. Individual host organizations may liaise with the institutions/students directly on internship with a longer duration.

The Hong Kong university students who joined the inaugural round took up internships in private companies (including for example those in finance, hospitality, aviation and retail industries), international organizations, academic institutions, and arts and cultural organizations, etc. A total of 250 internship places will be available in 2015-16, and the industries involved will also increase to cover for instance start-ups and logistics.

After the inaugural round, the Singapore ETO had conducted a survey to gather views from the 8 participating UGC-funded institutions, host organizations and student interns. The feedbacks received were generally positive. The Singapore ETO will continue to seek more internship opportunities through its long-established network in ASEAN countries.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)231

(Question Serial No. 0427)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will set up a new Economic and Trade Office (ETO) in Asia to strengthen Hong Kong's representation to capitalise on the new business and trade opportunities in the Asian region. In this connection, please advise this Committee: Has there been any preliminary suggestion as to the location of the new ETO? If yes, what are the details and the justifications for the suggested location? What is the estimated expenditure involved?

Asked by: Hon TIEN Pei-chun, James (Member Question No. 25)

Reply:

With the gradual shift of the focus of global economic development to the Asian region, we plan to set up a new Economic and Trade Office (ETO) in the Asian region to strengthen trade relations and promote Hong Kong. As the setting up of an ETO involves huge amount of resources and complicated procedures, the Government has to proceed carefully. We will decide on the location and make the necessary preparation as soon as possible. The annual estimated provision for the new ETO is \$19.39 million, including estimated personal emoluments and operational expenses etc.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)232

(Question Serial No. 2584)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Budget Speech mentioned about arranging internships in ASEAN countries for the university students of Hong Kong. Please advise this Committee:

1. of the 90 students taking up internships in the inaugural round of the scheme in 2014-15, the countries and organisations where their internships took place, their work contents and availability of internship allowance.
2. of the 250 internship places available in 2015-16, the countries and organisations where the internships will take place, their work contents and availability of internship allowance.
3. apart from the Hong Kong Economic and Trade Office (ETO) in Singapore, whether internships are offered in the remaining ten ETOs. If yes, what are the details? If no, what are the reasons.
4. if the participating students will not receive any internship allowance, why the young people participating in Mainland exchange and internship programmes would receive financial support as stated in paragraph 114 of the Budget Speech.

Asked by: Hon TONG Ka-wah, Ronny (Member Question No. 34)

Reply:

The ASEAN Internship for University Students of Hong Kong Scheme (Internship Scheme) was initiated by the Hong Kong Economic and Trade Office in Singapore (Singapore ETO) in 2014-15. The Internship Scheme aims to broaden the international horizons of university students of Hong Kong and enhance their understanding of ASEAN countries.

The Singapore ETO disseminates information on the internships secured to the 8 University Grants Committee (UGC)-funded institutions while the logistical arrangement (including matching of students with host organizations and students' itineraries, etc.) are directly handled by the concerned student and/or respective institution with the host organization. The institutions and host organizations can decide whether to provide allowance to the student interns.

The Hong Kong university students who joined the inaugural round took up internships in private companies (including for example those in finance, hospitality, aviation and retail industries), international organizations, academic institutions, and arts and cultural organizations, etc. These organizations were located in 7 ASEAN countries (including Cambodia, Indonesia, Malaysia, Myanmar, Singapore, Thailand and Vietnam). A total of 250 internship places will be available in 2015-16 in 9 ASEAN countries (including Brunei, Cambodia, Indonesia, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam). The industries involved will also increase to cover for instance start-ups and logistics. The host organizations will liaise with the institutions/students directly on the detailed content of internship.

The Internship Scheme was initiated and launched by the Singapore ETO in 2014 with a view to broadening the international horizons of university students of Hong Kong and enhancing the bilateral relations with ASEAN, and the students participating in the new round in 2015 will start taking up internship between May and August. The other overseas ETOs will review the local situation and continue to enhance exchange with the local students through different programmes and activities.

The Funding Scheme for Youth Internship in the Mainland organized by the Commission on Youth under the Home Affairs Bureau is different from the above scheme in nature. According to our understanding, the Funding Scheme for Youth Internship in the Mainland sponsors community organizations to organize internship programmes that would provide Hong Kong youths with personal experience of the workplace environment in the Mainland, and enable them to develop a deeper understanding of the employment market in the Mainland. The sponsorship granted under the funding scheme covers expenditures for the relevant activities, auditor's fee, and daily expenses for the eligible participants during their stay in the Mainland, e.g. air passage, train tickets, accommodation, meals, local transportation etc. No cash allowance will be given to the participants.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)233

(Question Serial No. 3450)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

A new Economic and Trade Office (ETO) will be set up in Asia in 2015-16. Where exactly will it be set up? Why cannot the two existing ETOs in Asia undertake the works in that region? Are there specific and different works to be undertaken by the new ETO, or is it intended for sharing the workload of the other two ETOs?

Asked by: Hon TONG Ka-wah, Ronny (Member Question No. 75)

Reply:

Currently, we have 2 Economic and Trade Offices (ETOs) in Asia, which are the Tokyo ETO which covers Japan and Korea, and the Singapore ETO covering 10 ASEAN countries. With the gradual shift of the focus of global economic development to the Asian region, the rise of ASEAN economies has, in particular, created new business opportunities for Hong Kong. We plan to set up a new ETO in the Asian region to strengthen trade relations and promote Hong Kong, with a view to helping our businessmen and investors tap the Asian markets. As the setting up of an ETO involves huge amount of resources and complicated procedures, the Government has to proceed carefully. We will decide on the location and make the necessary preparation, as well as firm up the division of work among relevant ETOs as soon as possible.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)234

(Question Serial No. 1260)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Given that non-directorate posts on the establishment in 2015-16 will increase from 132 to 136, what are the responsibilities of the newly created posts and the expenditure involved? How can this support the Government in promoting the economic development of Hong Kong?

Asked by: Hon WONG Ting-kwong (Member Question No. 46)

Reply:

With the gradual shift of the focus of global economic development to the Asian region, we plan to set up a new Economic and Trade Office (ETO) in the Asian region to strengthen trade relations and promote Hong Kong. To prepare for the setting up of the new ETO, we plan to create 4 new posts in 2015-16. The estimated expenditure for the posts are as follows:

Post title	Number of post	Total salary provision (\$)
Senior Administrative Officer	1	1,222,560
Principal Trade Officer	1	1,222,560
Principal Information Officer	1	1,017,240
Executive Officer I (time-limited for 2 years)	1	651,180
Total posts to be created:	4	

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)235

(Question Serial No. 6070)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the number of spot checks on optical disc factories as well as that of verifications on import/export of optical disc mastering and replication equipment carried out by the Customs and Excise Department (C&ED), please inform this Committee of the following:

- a) The estimated numbers of both spot checks and verifications are lower than those in 2013 and 2014. What are the reasons?
- b) What were the respective expenditure and manpower resources involved in each of the past 3 years? Please list the respective information by year and indicator; and
- c) Will C&ED consider adjusting the estimated numbers for 2015? If yes, what are the changes in the expenditure and manpower resources involved?

Asked by: Hon CHAN Ka-lok, Kenneth (Member Question No. 198)

Reply:

- a) The number of registered local optical disc factories has dropped from 20 in early 2014 to 9 at present and the demand for the import/export of relevant equipment has decreased as a result. We have adjusted the performance indicators in 2015-16 accordingly.

- b) The details of the staff establishment and operational expenses involved in the relevant work as well as the performance indicators in the past 3 years are as follows:

	2012	2013	2014
Staff establishment	10	7	7
Operational expenses	\$4.51 million	\$3.31 million	\$3.48 million
Number of inspections on factories	300	100	100
Number of verifications on equipment	180	150	150

- c) Having reviewed the actual operational needs, C&ED redeployed 3 out of 10 officers to carry out work against internet piracy and on promotion of intellectual property rights in 2013. No further adjustment will be made in 2015-16.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)236

(Question Serial No. 0459)

Head: (31) Customs and Excise Department

Subhead: (-) -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What were the expenditure, manpower provision and number of operations involved in preventing and detecting infringing articles in 2014-15? How many of these involved online sale of infringing goods? What were the values of articles seized in the operations? How many cases were successfully prosecuted and what were the penalties imposed? Has there been an increasing trend of copyright and trade mark infringement in recent years, especially for online sale of infringing goods? Regarding the matters requiring special attention in 2015-16, the Customs and Excise Department will continue to strengthen the co-operative alliance with the industries and enforcement agencies in detecting online sale of infringing goods. What is the amount of financial provision involved? Is it necessary to increase manpower for conducting online surveillance?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 27)

Reply:

In 2014-15, a total of 201 officers in the Customs and Excise Department (C&ED) who were specialised in preventing and detecting crimes of intellectual property rights infringement, involving an expenditure on salary provision of \$77.53 million. In 2014, C&ED carried out 9 special operations every week on average. Details of the cases detected are as follows:

Number of cases (Internet crimes)	792 cases (185 cases)
Total value of articles seized (Internet crimes)	\$69.87 million (\$2.55 million)
Number of successful prosecutions (Internet crimes) ¹	491 cases (158 cases)
Penalties imposed by the Court	Fine: \$500 – \$60,000; Community service order : 60 hours – 220 hours; Imprisonment: 7 days – 10 months

¹ Concluded in 2014

As a result of continuous and vigorous enforcement actions, infringing activities in the market have reduced significantly, but online selling has spread from auction sites to social media platforms. Through flexible deployment of resources and manpower, C&ED will continue to tackle the situation with “Anti-Internet Piracy Teams”, with the aid of the “Electronic Crime Investigation Centre” and the “SocNet Monitoring System” which is under development. C&ED will also continue to work with other enforcement agencies and intellectual property owners to combat infringement offences.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)237

(Question Serial No. 3587)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Customs and Excise Department (C&ED) will continue to strengthen enforcement of the amended Trade Descriptions Ordinance during this year to combat false trade descriptions and unfair trade practices in respect of both goods and services. Regarding this, would the Administration advise the Committee on the following:

1. What is the number of complaints received by C&ED since the implementation of the amended Trade Descriptions Ordinance? Please list out the breakdown figures by nature;
2. What are the investigation procedures adopted by C&ED? What are the manpower resources deployed?

Asked by: Hon IP LAU Suk-ye, Regina (Member Question No. 62)

Reply:

1. Since the implementation of the amended Trade Descriptions Ordinance (the Ordinance) on 19 July 2013, the Customs and Excise Department (C&ED) received a total of 9 174 complaints up to 28 February 2015. Among them, 7 009 were related to goods while the other 2 165 were related to services. A breakdown of the figures is as follows:

Nature of Complaint	Goods	Services	Total
False trade descriptions	4 175	1 021	5 196
Misleading omissions	948	399	1 347
Aggressive commercial practices	30	225	255

Nature of Complaint	Goods	Services	Total
Bait advertising	106	57	163
Bait and switch	22	18	40
Wrongly accepting payment	1 656	395	2 051
Others#	72	50	122
Total	7 009	2 165	9 174

Including complaints referred to other departments / organisations for follow-up actions or those outside the scope of the Ordinance

2. Upon receiving a complaint, C&ED will make a preliminary evaluation based on the information and evidence collected. The Department will then decide whether an in-depth investigation is necessary and its priority. In 2015-16, 190 officers will be responsible for the work in this aspect, involving an expenditure of \$90.87 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)238

(Question Serial No. 5296)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. In the past 5 years, how many cases relating to online selling of infringing goods were detected by the Customs and Excise Department (C&ED)? What were the values and types of the goods? How many persons were involved?
2. How many cases of intellectual property right (IPR) infringement were reported in each of the past 5 years? What were the numbers of cases with investigation completed in each of the past 5 years? What are the estimated number of staff and expenditure involved in the investigation of IPR infringement cases in 2015-2016?
3. What are the estimates of C&ED for upgrading its capability in the investigation of Internet and electronic crimes relating to IPR infringement in 2015-2016?
4. What are the estimates of C&ED for promoting public and traders' awareness of IPR and consumer protection legislation through publicity programmes in 2015-2016?
5. What were the expenditures and numbers of staff involved in the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 by C&ED, the Commerce and Economic Development Bureau (CEDB) and other parties concerned in 2014? What are the estimated expenditures and numbers of staff involved in the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 by C&ED, CEDB and other parties concerned in 2015-2016?
6. In the past 5 years, what were the actual expenditures, numbers of staff and numbers of prosecution involved in the investigation of false statement of health products by C&ED? In 2015-16, what will be the actual expenditure and number of staff involved in the investigation of false statement of health products by the Department?

Asked by: Hon KWOK Ka-ki (Member Question No. 125)

Reply:

1. Details of the cases of infringement on the Internet detected by the Customs and Excise Department (C&ED) in the past 5 years are as follows:

	2010	2011	2012	2013	2014
Number of cases	63	65	64	162	185
Number of persons arrested	67	74	79	190	203
Total value of seizures (the goods involved were mostly clothes, watches and accessories)	\$1.05 million	\$1.17 million	\$1 million	\$2.48 million	\$2.55 million

2. In 2015-16, 201 Customs officers will be deployed to the prevention and detection of intellectual property right (IPR) infringement, involving an expenditure of \$77.53 million. The numbers of cases investigated by C&ED in the past 5 years are as follows:

	2010	2011	2012	2013	2014
Number of cases reported	1 594	1 460	1 399	1 625	1 954
Number of cases completed*	1 660	1 121	3 244	8 309	1 913

* Some of the cases were reported in the past years. As such, the number of cases completed in a year may be larger than that of received.

3. Through flexible deployment of existing resources and with the aid of the “Electronic Crime Investigation Centre” and the “SocNet Monitoring System” under development, C&ED will deploy dedicated “Anti-Internet Piracy Teams” to combat online IPR infringement offences in earnest. C&ED will also continue to work with other enforcement agencies and the industries to underline the efforts.
4. To enhance the community’s awareness of IPR and consumer protection, C&ED will continue to organise seminars and talks in collaboration with the Intellectual Property Department, the Consumer Council and the industries etc as well as to disseminate information through various channels. As the expenditure involved has been subsumed within the department’s provisions, it is difficult to quantify the expenditure separately.
5. In 2014-15, C&ED deployed 187 officers to enforce the amended Trade Descriptions Ordinance, involving an expenditure of \$87.6 million. In 2015-16, 190 officers will be deployed to the work, involving an expenditure of \$90.87 million.
6. In the past 5 years, a total of 23 cases relating to false statement of health products were detected by C&ED, with 16 companies and 7 persons prosecuted. The C&ED officers taking up work in this regard are also responsible for other duties, and a breakdown of the expenditure involved in these particular cases is not available.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)239

(Question Serial No. 0365)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (5) Trade Controls

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Estimates for 2015-16, would the Administration please advise how much would be spent on each of the following areas of enforcement:

1. costing checks on goods covered by Certificates of Hong Kong Origin – Closer Economic Partnership Arrangement (CO(CEPA));
2. measures taken to help ensure that only goods that pass a value-added percentage threshold can benefit from the tariff preference under CEPA;
3. blitz checks on consignments subject to licensing control or covered by CO(CEPA) at entry and exit points and public cargo working areas;
4. consignment inspections to ensure compliance with legislation governing the import and export of strategic commodities and other licensable items;
5. collection of import and export declaration charges and clothing levies under the respective legislation; and
6. verification and assessment of the values of import and export consignments to recover under-paid import and export declaration charges and clothing levies.

Asked by: Hon LEUNG Kwan-yuen, Andrew (Member Question No. 2)

Reply:

(1)-(3) Currently there are 12 Customs officers responsible for monitoring the goods covered by Certificates of Hong Kong Origin – Closer Economic Partnership Arrangement. Their duties include performing costing checks to ensure compliance with the value-added percentage threshold regulation as well as blitz checks at entry and exit points and public cargo working areas, involving an expenditure of \$5.22 million. Since these officers take up other trade controls duties at the same time, a breakdown of the expenditure involved is not available.

(4) Currently there are 35 Customs officers responsible for the regulation of the import and export of strategic commodities and other licensable items, involving an expenditure of \$15.36 million. Since these officers take up other trade controls duties at the same time, a breakdown of the expenditure involved is not available.

(5) Currently there are 30 Customs officers responsible for collecting “declaration charges” and “Clothing Industry Training Levy”, involving an expenditure of \$11.63 million.

(6) Currently there are 16 Customs officers responsible for verifying and assessing the values of import and export consignments as well as recovering under-paid “declaration charges” and “Clothing Industry Training Levy”, involving an expenditure of \$5 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)240

(Question Serial No. 0377)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated provision for Programme (3) Intellectual Property Rights and Consumer Protection in 2015-16 is \$324.5 million. Please advise how would the Administration:

- (1) step up the publicity of the Trade Descriptions Ordinance to the industrial and commercial sectors to prevent contravention of provisions in relation to false trade descriptions and unfair trade practices of both goods and services; and
- (2) promote the protection and management of intellectual property rights (IPR) to small-and-medium enterprises?

Asked by: Hon LEUNG Kwan-yuen, Andrew (Member Question No. 14)

Reply:

- (1) The Customs and Excise Department (C&ED) has been conducting briefings for and proactive visits to different business sectors to provide traders with advice and guidance regarding the Trade Descriptions Ordinance. C&ED will continue with such promotion efforts.
- (2) To promote the awareness of intellectual property rights (IPR) among the public and the business sector including small-and-medium enterprises, C&ED will continue its promotion efforts through publicity and education. For example, C&ED will organise various kinds of thematic talks and exchange programmes. The Department will also distribute information leaflets about IPR protection to participants of major exhibitions.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)241

(Question Serial No. 1323)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work to improve clearance services to facilitate efficient cargo flow across the boundary, please advise this Committee on the following:

1. The latest update on the promotion of the Road Cargo System and the number of registered system users;
2. The latest progress of achieving seamless clearance of cross-boundary cargo with the Mainland;
3. The latest progress of the implementation of the Hong Kong Authorized Economic Operator (AEO) Programme, the number of participating companies and the current situation of signing mutual recognition arrangements (MRAs) with overseas countries/cities;
4. The latest progress of the study carried out together with the Mainland on the establishment of a third-party platform to facilitate cargo flow across the boundary; and
5. The details and estimates in respect of the work to facilitate cargo flow across the boundary in 2015-16 and whether new measures will be introduced.

Asked by: Hon YICK Chi-ming, Frankie (Member Question No. 39)

Reply:

1. The Road Cargo System has been operating smoothly since its full implementation. The Customs and Excise Department (C&ED) has been liaising with industry users to ensure the provision of efficient and reliable services for the trading and logistics

industries. As at the end of February 2015, a total of 31 305 users were registered for the system.

2. The testing of the harmonisation of the Hong Kong Intermodal Transshipment Facilitation Scheme (ITFS) and the Mainland's Cross-boundary Express Clearance System (CECS) has been smooth. C&ED will continue to seek the long-term implementation of such arrangements as it may help enable seamless cross-boundary clearance.
3. C&ED is promoting the AEO Programme proactively. 25 companies have been accredited as AEOs so far, and C&ED is handling a number of applications. Besides, the MRAs signed by C&ED with the Mainland, India, Korea and Singapore Customs respectively are becoming operational. C&ED will endeavour to negotiate similar arrangements with other countries.
4. The Hong Kong and Mainland Customs have already adopted the same data model developed by the World Customs Organisation to facilitate synchronised submission of cargo data by the industries, the use of which has been smooth. As for the need for a new "third-party platform", both sides will continue to monitor the actual demand of the industries.
5. C&ED will continue to upgrade the functions of ROCARS in order to provide stable and reliable services for shippers and truck drivers; continue to seek the long-term implementation of the harmonisation of the ITFS and CECS; and further promote the HKAEO Programme, encouraging companies' participation and seeking MRAs with different overseas economies. As these duties are part of the overall work of C&ED, it is difficult to quantify such expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)242

(Question Serial No. 1324)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Hong Kong Facilitation Scheme for Cross-Straits Transshipment Cargoes launched by Customs and Excise Department for Economic Cooperation Framework Agreement since 1 January 2011, please inform this Committee of the amounts of cargoes shipped between the Mainland and Taiwan under the Scheme over the past 4 years (2011, 2012, 2013 and 2014). In 2015, what are the work plans and the estimated expenditure involved for promoting greater use of the Hong Kong Facilitation Scheme for Cross-Straits Transshipment Cargoes?

Asked by: Hon YICK Chi-ming, Frankie (Member Question No. 40)

Reply:

The cargo volume shipped between the Mainland and Taiwan under the Hong Kong Facilitation Scheme for Cross-Straits Transshipment Cargoes over the past 4 years is as follows:

Year	Number of Consignments
2014	11 239
2013	10 106
2012	7 687
2011	3 449

In 2015, the Customs and Excise Department will further promote the Scheme and examine how to optimise the workflow. As the expenditure involved has been subsumed under the general operating expenditure, no breakdown could be provided.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)243

(Question Serial No.0270)

Head: (33) Civil Engineering and Development Department
Subhead (No. & title): (-) -
Programme: (1) Tourism and Recreational Development
Controlling Officer: Director of Civil Engineering and Development (C K HON)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Civil Engineering and Development Department will provide engineering input on the projects of the Ocean Park and Hong Kong Disneyland Resort. Will the Department charge them for the provision of input? If yes, what is the expenditure under this programme after deducting such revenue?

Asked by: Hon LAU Wong-fat (Member Question No. 12)

Reply:

The Ocean Park and the Hong Kong Disneyland Resort manage and implement their development plans through their own engineering teams. The Civil Engineering and Development Department does not receive any fees regarding provision of engineering input on the development plans mainly in respect of government requirements.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)244

(Question Serial No.0424)

Head: (33) Civil Engineering and Development Department
Subhead (No. & title): (-) -
Programme: (1) Tourism and Recreational Development
Controlling Officer: Director of Civil Engineering and Development (C K HON)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2015–16, the Civil Engineering and Development Department will commence the remaining dredging works for the second berth of Kai Tak Cruise Terminal. Will the Government advise on the relevant works completion date, the berth's commissioning date and the latest estimated expenditure?

Asked by: Hon TIEN Pei-chun, James (Member Question No. 22)

Reply:

The second berth of Kai Tak Cruise Terminal has commenced operation since September 2014. To enable the second berth to accommodate the largest cruise vessels in the world in the longer term, the Civil Engineering and Development Department will carry out the remaining dredging works for the second berth immediately after the Hong Kong and China Gas Company Limited has completed the diversion of relevant submarine gas pipelines in March 2015. We expect to complete the remaining dredging works in early 2016, and the estimated expenditure in 2015-16 is \$58 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)245

(Question Serial No. 1342)

Head: (33) Civil Engineering and Development Department
Subhead (No. & title): (-) -
Programme: (1) Tourism and Recreational Development
Controlling Officer: Director of Civil Engineering and Development (C K HON)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

In Matters Requiring Special Attention in 2015-16, the Government will continue to implement the improvement works to the tourist facilities in the promenades of the Aberdeen Harbour and Ap Lei Chau Main Street area, please advise:

1. How much estimated expenditure and manpower are reserved for the work?
2. What is the timetable for implementing the improvement works? What are the tourist facilities to be added and improved?

Asked by: Hon YIU Si-wing (Member Question No. 16)

Reply:

Details of the works are as follows:

1. The expenditure of the improvement works to promenades of Aberdeen Harbour and Ap Lei Chau Main Street area (the Project) is estimated at about \$22 million in 2015-16. Two professional staff from the Civil Engineering and Development Department are involved in handling the Project and other projects.
2. The works of the Project have been substantially completed and the whole project is expected to be completed by 2015. The Project mainly includes the following facilities:

- (i) Construction of an information kiosk, sampan seatings, a boardwalk, bronze displays, feature walls and cruise landing shelter, and re-construction of the viewing deck, performance stage and fitness area at Aberdeen promenade.
- (ii) Expansion of the forecourt of the Hung Shing Temple, re-construction of the information kiosk, and construction of a lighthouse display, bronze displays and Wind Tower Park entrance at Ap Lei Chau promenade.
- (iii) Re-paving the footpath with coloured concrete pavers, installing decorative roadside railings and street lightings at Ap Lei Chau Main Street area.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)246

(Question Serial No. 1343)

Head: (33) Civil Engineering and Development Department
Subhead (No. & title): (-) -
Programme: (1) Tourism and Recreational Development
Controlling Officer: Director of Civil Engineering and Development (C K HON)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

In Matters Requiring Special Attention in 2015-16, the Government will continue with the planning and design of a public landing facility and related marine works in the Lei Yue Mun area, please advise:

1. How much estimated expenditure and manpower are reserved for the work?
2. What is the timetable for implementing the improvement works? Apart from the public landing facilities, what are the public facilities related to tourism to be added?

Asked by: Hon YIU Si-wing (Member Question No. 17)

Reply:

The proposed public landing facility for Lei Yue Mun is one of the facilities to be provided under the Lei Yue Mun Waterfront Enhancement Project. Apart from the public landing facility, the scope of the Lei Yue Mun Waterfront Project also includes the construction of a breakwater and a waterfront promenade; the provision of several lookout points and streetscape improvement works along the footpath linking up the lookout points; as well as the construction of a new viewing platform, etc. We are working on the required statutory procedures for the project works and are yet to confirm the timetable for the implementation of the project. As the project is still at the planning stage, there is no expenditure to be incurred in 2015-16. Our staffing for the project has been subsumed into the establishment of this Department for 2015-16, and it is difficult to quantify the amount separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)247

(Question Serial No. 2544)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (2), it is mentioned in “Matters Requiring Special Attention in 2015-16” that the Intellectual Property Department will organise promotion and education activities specially for SMEs with emphasis placed on IP protection and management. Please advise this Committee of the details of the activities, as well as the expenditure and manpower required. How effective are such efforts in recent years? Will the Administration step up the promotional work?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 38)

Reply:

In 2015-16, the Intellectual Property Department (IPD) has earmarked about \$2.55 million for promotion and education efforts targeted at the business sector (including small and medium enterprises (SMEs), business associations, IP intermediaries, etc.

SMEs remain one of the prime targets of our promotion and education efforts. Through seminars and exhibitions organised by IPD or in collaboration with others, we will continue to help SMEs understand the importance of protecting their IP rights and raise their awareness of innovation and IP management. These activities also support SMEs to explore potential IP solutions to further develop and expand their business, such as the types of IP that may be available for sale or exploitation in their target markets. In 2015-16, the promotional activities that IPD will carry out include:

- (i) co-organising the “Business of IP Asia Forum” with the Hong Kong Trade Development Council and the Hong Kong Design Centre;
- (ii) participating actively in major exhibitions and seminars for SMEs held in Hong Kong, such as the “Entrepreneur Day”, “Hong Kong International Licensing Show” and exhibition held during the same time as the “Business of IP Asia Forum”; and

- (iii) co-organising promotional activities, such as seminars, exchange activities, with various business associations, to brief SMEs on the latest information on IP rights as well as issues on the protection and management of IP rights and distributing related booklets on these occasions.

To help the business sector (including SMEs, business associations, IP intermediaries, etc.) strengthen protection and management of their IP rights on the Mainland, IPD maintains close co-operation with the Mainland authorities responsible for IP protection. In 2015-16, IPD will organise the following promotional activities:

- (i) continuing to co-organise the “Mainland, Hong Kong SAR and Macao SAR Intellectual Property Symposium” with the State Intellectual Property Office and the Macao Economic Services to keep the business sector abreast of the latest development of IP protection in the three places; and
- (ii) continuing to co-organise activities with the IP authorities in Guangdong Province under the framework of the “Guangdong/Hong Kong Expert Group on the Protection of IP Rights” to promote and publicise the importance of IP protection and management as well as the concept of IP trading. Such activities will include organising thematic seminars, and updating and enriching the content of the “Intellectual Property Database for Guangdong, Hong Kong and Macao” (www.ip-prd.net) as well as the “Guangdong/Hong Kong IP Co-operation Corner”, “Mainland Enterprises Corner” and “Mainland and Hong Kong Trademark Column” on IPD’s website (www.ipd.gov.hk), with a view to providing the business sector with information about IP protection in the three places including laws and regulations, registration procedures, law enforcement, and promotion and education activities. IPD will also continue to organise exchange activities to enable the business sector to establish connections with the IP authorities and business sector on the Mainland.

For manpower arrangement, the implementation of the above measures is mainly supported by the Marketing Division of IPD. The Marketing Division currently comprises 9 staff members who are responsible for undertaking different areas of promotion and education work of IP and carrying work in relation to the promotion of IP trading.

In addition to the above, to promote Hong Kong as a premier intellectual property (IP) trading hub in the region, \$23 million would be specifically set aside in the coming three years to support a number of new initiatives, for example -

- (i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to SMEs, having regard to the result of a pilot scheme;
- (ii) organising and sponsoring IP manpower training;
- (iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and
- (iv) launching of promotion and public education campaigns earmarked in the coming three years.

These new initiatives will in different ways benefit the business community (including SMEs) in raising awareness in IP protection, management and exploitation.

IPD has conducted 6 rounds of “Survey on Business Attitudes to Intellectual Property” since 2004 to examine the current level of awareness and attitude of the business sector towards IP rights protection, as well as to evaluate the effectiveness of its promotion and education efforts targeted at the business sector. According to the findings of the survey announced in 2013, nearly two-thirds of the business establishments interviewed considered the promotional activities held by IPD effective in raising the awareness of Hong Kong businesses on IP rights protection.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)248

(Question Serial No. 1601)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government inform this Committee of:

1. the work progress and details of the development strategies upon the endorsement of the overall strategic framework by the Working Group on Intellectual Property Trading (Working Group) in November 2013;
2. the actual expenditure of the Working Group for the past 2 years; and
3. the details of the estimated expenditure of the Working Group for 2015, including the relevant expenditure on manpower, promotional activities, education and external collaboration efforts?

Asked by: Hon IP LAU Suk-ye, Regina (Member Question No. 58)

Reply:

Set up in March 2013, the Working Group on Intellectual Property (IP) Trading (Working Group) has worked intensively to study and advise on the promotion of IP trading in Hong Kong. In November 2013, the Working Group promulgated a strategic framework (Framework) for forging ahead the development of IP trading. The Framework covers four strategic areas, namely enhancing the IP protection regime; supporting IP creation and exploitation; fostering IP intermediary services and manpower capacity; and pursuing promotion, education and external collaboration efforts.

Actions thus far

In line with the deliberations and advice of the Working Group, various actions have been underway, for example -

(i) enhancing our IP regime –

- we are implementing an “Original Grant Patent” (OGP) system, and are drawing up the requisite amendments to the Patents Ordinance (Cap 514) to provide for the legal framework of the OGP system. Subject to progress, we aim at introducing a bill into the Legislative Council in the first half of this year and launching the OGP system in 2016-17 at the earliest;
- we introduced the Copyright (Amendment) Bill 2014 into the Legislative Council in June 2014, which seeks to strengthen copyright protection in the digital environment, and safeguard users' freedom of expression. A Bills Committee is scrutinizing the Bill with our full support;
- we carried out a consultation exercise from November 2014 to February 2015 on the proposed application of the Madrid Protocol to Hong Kong, which may enable trade mark owners to enjoy the convenience of one-stop service in seeking trade mark protection and manage their trade mark portfolio in multiple countries. Taking into account the consultation outcome, the Government will set out the best way forward;

(ii) supporting IP creation and exploitation –

- the Intellectual Property Department (IPD), in collaboration with the IP Committee of the Law Society of Hong Kong (Law Society), launched in December 2014 a 6-month pilot scheme to provide IP consultation services to small and medium-sized enterprises (SMEs). The Hong Kong Trade Development Council (HKTDC) has also broadened the scope of its existing advisory services to help SMEs make better use of their IP;
- the Innovation and Technology Commission (ITC), through the \$5 billion Innovation and Technology Fund, has been financing projects that contribute to innovation and technology upgrading and development. In 2014, ITC launched new improvement measures to promote private sector research and development (R&D), commercialisation of R&D outcomes, and their application in the public sector;

(iii) fostering IP intermediary services and manpower capacity –

- HKTDC launched the Asia IP Exchange (AsiaIPEX), an online IP trading portal, in December 2013 to enhance Hong Kong's online IP trading volume, capabilities and connections. As at end-February 2015, AsiaIPEX has formed alliances with 28 strategic partners local and overseas, and covered over 25 000 entries of tradable IPRs (including copyright, patents, registered design and trade marks);
- IPD commissioned in June 2014 a Survey on IP trading among IP creators, owners and users in Hong Kong. Findings of the survey are expected to be available in the first half of 2015;

(iv) pursuing promotion, education and external collaboration efforts –

- the Government co-organised the 2013 and 2014 Business of Intellectual Property Asia Forum with HKTDC and Hong Kong Design Centre. The tripartite co-organisation will continue this year, with a view to bringing this annual IP flagship event in the region to a strategic level.

Working Group Report

Following considered examination of specific policies and measures in support under the Framework, the Working Group released its Report in March 2015, with a host of recommended actions to “*Position and promote Hong Kong as the premier IP trading hub in Asia*”, which is set as our vision.

The Government has accepted the Working Group Report. Under the policy steer of CITB of CEDB, IPD will continue to work closely with other government departments and public sector and industry bodies (such as HKTDC and the Law Society) to take the recommendations forward.

Resources and Way Forward

To provide dedicated support to the Working Group and to follow up the implementation work, one Chief Executive Officer post was created in CITB in 2014-15 (for 24 months) and the total salary provision for the post is \$1.22 million annually. Other manpower and expenditure required for taking forward IP trading initiatives have been and will continue to be covered by the current establishment of and provision for CITB, IPD and relevant agencies. This includes specifically setting aside \$23 million in the coming three years to support a number of new initiatives, for example -

- (i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to SMEs, having regard to the result of the pilot scheme mentioned above;
- (ii) organising and sponsoring IP manpower training;
- (iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and
- (iv) launching of promotion and public education campaigns.

The Government would also consider extending the scope of tax deduction for capital expenditure incurred on the purchase of IP rights (IPRs) to cover more types of IPRs.

In the course of implementing the recommended actions, the Government would continue to engage and consult relevant stakeholders and industry players to ensure smooth delivery and achieve maximum results.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)249

(Question Serial No. 1555)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- A) Please provide the number of standard patents granted in Hong Kong based on the patents granted by the “designated patent offices” in the past 5 years.

Year of application	No. of standard patents granted in Hong Kong		
	State Intellectual Property Office, People’s Republic of China (PRC)	European Patent Office	United Kingdom Patent Office
2010-11			
2011-12			
2012-13			
2013-14			
2014-15			

- B) Please provide the number of short-term patents granted in Hong Kong based on the search reports issued by different searching authorities in the past 5 years.

Year of application	No. of short-term patents granted in Hong Kong			
	International Searching Authorities appointed under Article 16 of Patent Cooperation Treaty	State Intellectual Property Office, PRC	European Patent Office	United Kingdom Patent Office
2010-11				
2011-12				
2012-13				
2013-14				
2014-15				

- C) The current establishment of staff handling patent registration in the Intellectual Property Department, including the staff's ranks, strength and pay points. What ranks of staff are generally involved in the processing of "standard patents" and "short-term patents"? During the past year, how many days does it take on average for the granting of "standard patents" and "short-term patents", counting from the day of application?
- D) Does the Government have any information concerning the number of patent applications processed and the processing time of regions as the PRC, Taiwan, Singapore and India for comparison?

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. 46)

Reply:

- A) The number of standard patents granted in each of the past 5 years (irrespective of the date of application) in Hong Kong based on the patents granted by the "designated patent offices" is as follows:

No. of standard patents granted in Hong Kong			
Year	State Intellectual Property Office, People's Republic of China (PRC)	European Patent Office	United Kingdom Patent Office
2010-11	3 387	1 598	123
2011-12	2 922	1 664	152
2012-13	3 600	1 762	185
2013-14	4 455	2 047	151
2014-15 (as at 28 February 2015)	3 037	1 622	83

- B) The number of short-term patents granted in each of the past 5 years (irrespective of the date of application) in Hong Kong based on the search reports issued by different searching authorities is as follows:

No. of short-term patents granted in Hong Kong				
Year	International Searching Authorities appointed under Article 16 of Patent Co-operation Treaty*	State Intellectual Property Office, PRC	European Patent Office	United Kingdom Patent Office
2010-11	5	513	8	1
2011-12	5	525	3	4
2012-13	9	492	3	7
2013-14	13	502	5	6
2014-15 (as at 28 February 2015)	10	420	23	3

*Discounting the PRC's State Intellectual Property Office, the European Patent Office and the United Kingdom Patent Office. Their numbers are separately accounted for on the right.

- C) The Patents Registry of the Intellectual Property Department has a total of 5 officers dedicated to handling patent applications, including 1 Intellectual Property Examiner I and 4 Intellectual Property Examiners II. Furthermore, 1 Assistant Director of Intellectual Property, 2 Senior Solicitors, 2 Solicitors, 1 Principal Intellectual Property Examiner and 1 Chief Intellectual Property Examiner also participate in the processing of applications where necessary. The pay points of the officers above are as follows:

Rank	Pay points
Assistant Director of Intellectual Property	Directorate (Legal) Pay Scale Point 2
Senior Solicitor	Master Pay Scale Point 45-49
Solicitor	Master Pay Scale Point 32-44
Principal Intellectual Property Examiner	Directorate Pay Scale Point 1
Chief Intellectual Property Examiner	Master Pay Scale Point 45-49
Intellectual Property Examiner I	Master Pay Scale Point 28-33
Intellectual Property Examiner II	Master Pay Scale Point 14-27

Generally speaking, the processing of applications for “standard patents” and “short-term patents” involves Intellectual Property Examiner II and Intellectual Property Examiner I respectively. Regarding the “standard patents” and “short-term patents” granted by the Patents Registry in 2014, the average number of days counting from the date of application to the date of grant is 1 273 and 154 respectively. The average number of days for grant of standard patents is usually higher than that for grant of the short-term patents because the application process of a standard patent involves two stages. At the first stage, the applicant is required to apply for a patent grant at one of three designated patent offices. Within six months after the patent application has been published by the relevant designated patent office, the applicant may file a “request to record” application for a standard patent in Hong Kong (this is the date of application as mentioned above). At the second stage, the applicant may proceed to file a “request for registration and grant” in Hong Kong within 6 months after the grant of patent by the relevant designated patent office. Since it takes time for the relevant designated patent offices to examine the patent applications, the time gap between the date of application and the date of grant could be considerable.

- D) We do not have sufficient information about the number of patent applications processed and the processing time in Mainland China, Taiwan, Singapore and India for comparison.

According to the information on the websites of the concerned patent authorities, the numbers of patent applications in Mainland China, Taiwan, India and Singapore are as follows:

Country/region	Year	No. of applications	Website
Mainland China	2014	928 177	http://www.sipo.gov.cn/ghfzs/ztjt/tjyb/2014/201501/P020150129651237684832.pdf
Taiwan	2013	83 211	http://www.tipo.gov.tw/public/Attachment/44101155799.pdf
India	2012-13	43 674	http://ipindia.gov.in/cgpdmt/AnnualReport_English_2012_2013.pdf
Singapore	2013	9 722	http://www.ipos.gov.sg/Portals/0/About%20IP%20(Statistics)/Website%20Stats%202014%20.pdf

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0379)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2015-16, the provision for Programme (2) Protection of Intellectual Property is \$37.9 million. Would the Government advise:

1. What seminars and exhibitions will be organised to help small and medium enterprises understand the protection of their intellectual property (IP) rights and raise awareness of innovation and IP management among them, in particular, the exploration of potential IP solutions and IP available for sale in their target markets?
2. How to assist the business community to strengthen their IP protection and management in the Mainland?
3. What is the amount of resources to be injected to strengthen the out-reach effort to young people in promoting IP protection?

Asked by: Hon LEUNG Kwan-yuen, Andrew (Member Question No. 16)

Reply:

In 2015-16, the Intellectual Property Department (IPD) has earmarked about \$2.55 million for promotion and education efforts targeted at the business sector (including small and medium enterprises (SMEs), business associations, IP intermediaries, etc), and about \$1.85 million, targeted at young people.

1. SMEs remain one of the prime targets of our promotion and education efforts. Through seminars and exhibitions organised by IPD or in collaboration with others, we will continue to help SMEs understand the importance of protecting their IP rights and raise their awareness of innovation and IP management. These activities also support SMEs to explore potential IP solutions to further develop and expand their business, such as the types of IP that may be available for sale or exploitation in their target markets. In 2015-16, the promotional activities that IPD will carry out include:

- (i) co-organising the “Business of IP Asia Forum” with the Hong Kong Trade Development Council and the Hong Kong Design Centre;
- (ii) participating actively in major exhibitions and seminars for SMEs held in Hong Kong, such as the “Entrepreneur Day”, “Hong Kong International Licensing Show” and exhibition held during the same time as the “Business of IP Asia Forum”; and
- (iii) co-organising promotional activities, such as seminars, exchange activities, with various business associations, to brief SMEs on the latest information on IP rights as well as issues on the protection and management of IP rights and distributing related booklets on these occasions.

2. To help the business sector (including SMEs, business associations, IP intermediaries, etc.) strengthen protection and management of their IP rights on the Mainland, IPD maintains close co-operation with the Mainland authorities responsible for IP protection. In 2015-16, IPD will organise the following promotional activities:

- (i) continuing to co-organise the “Mainland, Hong Kong SAR and Macao SAR Intellectual Property Symposium” with the State Intellectual Property Office and the Macao Economic Services to keep the business sector abreast of the latest development of IP protection in the three places; and
- (ii) continuing to co-organise activities with the IP authorities in Guangdong Province under the framework of the “Guangdong/Hong Kong Expert Group on the Protection of IP Rights” to promote and publicise the importance of IP protection and management as well as the concept of IP trading. Such activities will include organising thematic seminars, and updating and enriching the content of the “Intellectual Property Database for Guangdong, Hong Kong and Macao” (www.ip-prd.net) as well as the “Guangdong/Hong Kong IP Co-operation Corner”, “Mainland Enterprises Corner” and “Mainland and Hong Kong Trademark Column” on IPD’s website (www.ipd.gov.hk), with a view to providing the business sector with information about IP protection in the three places including laws and regulations, registration procedures, law enforcement, and promotion and education activities. IPD will also continue to organise exchange activities to enable the business sector to establish connections with the IP authorities and business sector on the Mainland.

3. Regarding IP promotion and education to young people, avenues will include school talks, interactive drama programmes, seminars in tertiary institutions, the “IP Teen City” website, and different kinds of activities organised in collaboration with other organisations, such as creative competitions, and the “I Pledge Live Band Festival” and a film show organised for members of the “I Pledge” campaign. Through elaboration and practical experience, IPD aims to promote the awareness of IP right protection among young people more effectively.

In addition to the above, to promote Hong Kong as a premier IP trading hub in the region, \$23 million would be specifically set aside in the coming three years to support a number of new initiatives, for example -

- (i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to SMEs, having regard to the result of a pilot scheme;
- (ii) organising and sponsoring IP manpower training;
- (iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and
- (iv) launching of promotion and public education campaigns earmarked in the coming three years.

These new initiatives will in different ways benefit the business community (including SMEs) and young people alike in raising awareness in IP protection, management and exploitation.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)251

(Question Serial No. 0350)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in paragraph 90 of the Budget, Hong Kong is well placed to become an intellectual property trading hub in the region, which includes introducing an original grant patent system, providing manpower training and carrying out extensive promotion and publicity activities. It is, however, noted that, in the Bureau's assessment, no additional manpower is required for discharging the extra duties. What are the reasons? How many officers will be assigned by the Bureau to undertake the relevant duties and why?

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 33)

Reply:

To provide dedicated support to the Working Group and to follow up the implementation work, one Chief Executive Officer post was created in the Commerce and Economic Development Bureau in 2014-15 (for 24 months). The Marketing Division of Intellectual Property Department (IPD) has nine staff members who are responsible for publicity and education work and the promotion of IP trading.

The manpower and expenditure required for taking forward IP trading initiatives will continue to be covered by the current establishment of and provision for the CEDB (Commerce, Industry and Tourism Branch (CITB)), IPD and relevant agencies. This includes specifically setting aside \$23 million in the coming three years to support a number of new initiatives, for example -

- (i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to small and medium-sized enterprises, having regard to the result of a pilot scheme rolled out by IPD earlier on;
- (ii) organising and sponsoring IP manpower training;

- (iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and
- (iv) launching of promotion and public education campaigns.

To implement the “original grant” patent (OGP) system, refine the short-term patent system, operate the new Patents Registry, and to deal with issues relating to the establishment of a regulatory regime for patent practitioners, a supernumerary Assistant Director post was created in IPD in 2014-15 (for a period of three years) to head a dedicated team for taking forward the relevant work. At present, apart from the Assistant Director, there are altogether eight non-directorate staff members in the dedicated team.

We will review the internal manpower requirement as appropriate to meet the operational needs, taking into account the development on various fronts.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)252

(Question Serial No. 1094)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government has indicated that it will take forward the overall strategies and support measures endorsed by the Working Group on Intellectual Property Trading to develop and promote Hong Kong as a premier IP trading hub in the region. In this connection, please advise: How much resources will be allocated by the Government for this purpose? Have any specific targets, timetable and roadmap for implementation been formulated? If so, what are the details? If not, what are the reasons?

Asked by: Hon LO Wai-kwok (Member Question No. 31)

Reply:

Set up in March 2013, the Working Group on Intellectual Property (IP) Trading (Working Group) has worked intensively to study and advise on the promotion of IP trading in Hong Kong. In November 2013, the Working Group promulgated a strategic framework (Framework) for forging ahead the development of IP trading. The Framework covers four strategic areas, namely enhancing the IP protection regime; supporting IP creation and exploitation; fostering IP intermediary services and manpower capacity; and pursuing promotion, education and external collaboration efforts.

Actions thus far

In line with the deliberations and advice of the Working Group, various actions have been underway, for example -

(i) enhancing our IP regime –

- we are implementing an “Original Grant Patent” (OGP) system, and are drawing up the requisite amendments to the Patents Ordinance (Cap 514) to provide for the legal framework of the OGP system. Subject to progress, we aim at introducing a bill into

the Legislative Council in the first half of this year and launching the OGP system in 2016-17 at the earliest;

- we introduced the Copyright (Amendment) Bill 2014 into the Legislative Council in June 2014, which seeks to strengthen copyright protection in the digital environment, and safeguard users' freedom of expression. A Bills Committee is scrutinising the Bill with our full support;
- we carried out a consultation exercise from November 2014 to February 2015 on the proposed application of the Madrid Protocol to Hong Kong, which may enable trade mark owners to enjoy the convenience of one-stop service in seeking trade mark protection and manage their trade mark portfolio in multiple countries. Taking into account the consultation outcome, the Government will set out the best way forward;

(ii) supporting IP creation and exploitation –

- the Intellectual Property Department (IPD), in collaboration with the IP Committee of the Law Society of Hong Kong (Law Society), launched in December 2014 a 6-month pilot scheme to provide IP consultation services to small and medium-sized enterprises (SMEs). The Hong Kong Trade Development Council (HKTDC) has also broadened the scope of its existing advisory services to help SMEs make better use of their IP;
- the Innovation and Technology Commission (ITC), through the \$5 billion Innovation and Technology Fund, has been financing projects that contribute to innovation and technology upgrading and development. In 2014, ITC launched new improvement measures to promote private sector research and development (R&D), commercialisation of R&D outcomes, and their application in the public sector;

(iii) fostering IP intermediary services and manpower capacity –

- HKTDC launched the Asia IP Exchange (AsiaIPEX), an online IP trading portal, in December 2013 to enhance Hong Kong's online IP trading volume, capabilities and connections. As at end-February 2015, AsiaIPEX has formed alliances with 28 strategic partners local and overseas, and covered over 25 000 entries of tradable IPRs (including copyright, patents, registered design and trade marks);
- IPD commissioned in June 2014 a Survey on IP trading among IP creators, owners and users in Hong Kong. Findings of the survey are expected to be available in the first half of 2015;

(iv) pursuing promotion, education and external collaboration efforts –

- the Government co-organised the 2013 and 2014 Business of Intellectual Property Asia Forum with HKTDC and Hong Kong Design Centre. The tripartite co-organisation will continue this year, with a view to bringing this annual IP flagship event in the region to a strategic level.

Working Group Report

Following considered examination of specific policies and measures in support under the Framework, the Working Group released its Report in March 2015, with a host of recommended actions to “*Position and promote Hong Kong as the premier IP trading hub in Asia*”, which is set as our vision.

The Government has accepted the Working Group Report. Under the policy steer of CITB of CEDB, IPD will continue to work closely with other government departments and public sector and industry bodies (such as HKTDC and the Law Society) to take the recommendations forward.

Resources and Way Forward

To provide dedicated support to the Working Group and to follow up the implementation work, one Chief Executive Officer post was created in CITB in 2014-15 (for 24 months) and the total salary provision for the post is \$1.22 million annually. Other manpower and expenditure required for taking forward IP trading initiatives have been and will continue to be covered by the current establishment of and provision for CITB, IPD and relevant agencies. This includes specifically setting aside \$23 million in the coming three years to support a number of new initiatives, for example -

- (i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to SMEs, having regard to the result of the pilot scheme mentioned above;
- (ii) organising and sponsoring IP manpower training;
- (iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and
- (iv) launching of promotion and public education campaigns.

The Government would also consider extending the scope of tax deduction for capital expenditure incurred on the purchase of IP rights (IPRs) to cover more types of IPRs.

In the course of implementing the recommended actions, the Government would continue to engage and consult relevant stakeholders and industry players to ensure smooth delivery and achieve maximum results.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)253

(Question Serial No. 2725)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (1) Statutory Functions

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Please provide a breakdown of the respective numbers of patent applications received and patents granted by the Intellectual Property Department in the past 3 years.
2. There are insufficient talents for processing and examining patent applications. At this moment, does the Government have any specific new plans to strengthen the training of manpower and technical expertise?
3. The development of intellectual property trading requires expertise in various fields. Does the Government have any plan on training of manpower to address the issue? If so, what are the details? If not, what are the reasons?

Asked by: Hon QUAT Elizabeth (Member Question No. 54)

Reply:

1. The respective numbers of patent applications received and patents granted by the Patents Registry of the Intellectual Property Department (IPD) in 2012, 2013 and 2014 are as follows:

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Standard patent applications received	12 988	13 916	12 542
Short-term patent applications received	645	552	587
Standard patents granted	5 035	6 564	5 932
Short-term patents granted	515	538	522

2. The Government announced in February 2013 the way forward for the development of the patent system in Hong Kong, including the establishment of an "original grant" patent (OGP) system and the refinement of the existing short-term patent system.

We recognise the importance of manpower training in the examination of patent applications for implementing and operating the OGP system. Under a co-operation arrangement concluded between IPD and the State Intellectual Property Office, the latter would provide technical assistance and support in substantive examination and manpower training for the OGP system. IPD will also plan for the recruitment and training of examiners having regard to operational needs.

In addition, IPD would continue to strengthen its exchanges and co-operation with overseas intellectual property (IP) authorities. In this regard, IPD signed memoranda of understanding on co-operation with the IP authorities of Korea and Mexico respectively in January and February 2015 under which cooperation on manpower training and experience sharing were anticipated. Meanwhile, IPD will continue to arrange for its staff to attend patent-related seminars and training programmes in accordance with operational needs, so as to continuously enhance their professional expertise and experience.

3. To forge ahead the development of IP trading in Hong Kong, the Working Group on IP Trading has promulgated a strategic framework. One of the four strategic areas covered is about fostering IP intermediary services and manpower capacity. The recommended actions include organizing and sponsoring IP manpower training. Notably –

- IPD ran a pilot 2-day IP management training programme in January and February 2015 to gain experience and obtain participants' feedback for discussion with relevant government departments and business, trade and professional organisations.
- With the benefit of the above pilot, IPD plans to launch an IP Manager Scheme by providing training to managerial staff of small and medium enterprises (SMEs) and encouraging them to appoint in-house IP Managers who will be responsible for overseeing the compliance, management, exploitation and commercialisation of IP assets.
- IPD plans to sponsor and promote training courses in IP related subjects organised by professional bodies as appropriate, so as to foster the development of IP related services among professionals and to nurture talents.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)254

(Question Serial No. 3233)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2015-16, the Intellectual Property Department will support the business community in strengthening their intellectual property protection and management in the Mainland through the Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights. In this connection, will the Government inform this Committee of:

1. the specific efforts to be made in respect of the above work and the estimated expenditure involved;
2. the ways for assessing the effectiveness of the above work?

Asked by: Hon TIEN Pei-chun, James (Member Question No. 50)

Reply:

1. The Intellectual Property Department (IPD) maintains close co-operation with the Mainland authorities responsible for intellectual property (IP) protection through the Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights, in order to help the business sector in strengthening their IP rights protection and management on the Mainland. In 2015-16, IPD will continue to co-organise activities with the IP authorities in Guangdong Province to promote and publicise the importance of IP rights protection and management as well as the concept of IP trading. Such activities include organising thematic seminars, and updating and enriching the content of the "Intellectual Property Database for Guangdong, Hong Kong and Macao" (www.ip-prd.net) as well as the "Guangdong/Hong Kong IP Cooperation Corner", "Mainland Enterprises Corner" and "Mainland and Hong Kong Trademark Column" on IPD's website (www.ipd.gov.hk), with a view to providing the business sector with information about IP protection in the three places, including laws and regulations, registration procedures, enforcement issues, promotion and education activities. IPD will also organise exchange activities to enable the business sector to

establish connections with the IP authorities on the Mainland. In 2015-16, the estimated expenditure of such work is about \$150,000.

2. IPD maintains close liaison with the business sector and stakeholders, and collects feedback from participants of promotion and education activities to assess the effectiveness of these activities. In addition, IPD has conducted six rounds of “Survey on Business Attitudes to Intellectual Property” since 2004 to examine the current level of awareness and attitude of the business sector towards IP rights protection, as well as to evaluate the effectiveness of its overall promotion and education efforts. According to the findings of the survey published in 2013, nearly two-thirds of the companies/organisations interviewed considered the promotional activities held by IPD effective in raising the awareness of Hong Kong businesses on IP rights protection.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)255

(Question Serial No. 0388)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The projects which the Government will continue taking forward include setting up an original grant patent system, and a refined short-term patent system together with regulating local patent practitioners. In this respect, will the Government inform this Committee of:

1. when, in the Government's assessment, a bill will be introduced into the Legislative Council for amending the Patents Ordinance;
2. the stakeholders and organisations of the relevant industries with which the Government has consulted in drafting the bill; and
3. how long the Government has spent on drafting the bill in view of the years taken for drawing up the legislation for the original grant patent system. Why does it take so many years for the Government to draft the bill?

Asked by: Hon WONG Kwok-hing (Member Question No. 8)

Reply:

1. The Government is now drawing up the legislative proposals for amending the Patents Ordinance ("the Ordinance") in order to provide for the legislative framework for implementing the "original grant" patent (OGP) system, refining the short-term patent system, and introducing interim measures for regulating patent practitioners in Hong Kong. Subject to the progress of the drafting and other preparatory work, we expect that an amendment bill would be introduced into the Legislative Council in the first half of this year.
2. The legislative proposals under preparation are based on the strategic recommendations of the Advisory Committee on Review of the Patent System in Hong Kong ("Advisory Committee"), which has taken into account the views obtained from

the public consultation exercise conducted by the Government in 2011. In the course of preparing and drafting the bill, we have been liaising with the Advisory Committee and relevant industry organisations, such as the Hong Kong Bar Association, Law Society of Hong Kong, Asian Patent Attorneys Association Hong Kong Group, Hong Kong Institute of Trade Mark Practitioners Limited, Hong Kong Institute of Patent Attorneys and Hong Kong Institute of Patent Practitioners, to benefit from their professional views.

3. The Government commenced a comprehensive review on the patent system of Hong Kong in October 2011, with the support of the Advisory Committee. In February 2013, having endorsed the strategic recommendations put forward by the Advisory Committee in its report, the Government announced the way forward. The Intellectual Property Department (IPD) have been following up with the implementation work, including the following tasks –
 - (i) studying the patent systems, practices and procedures generally established in the international community;
 - (ii) engaging a consultant to study important legislative and technical issues in the course of formulating the framework of the OGP system;
 - (iii) discussing with the State Intellectual Property Office (SIPO) on matters relating to substantive examination of patent applications and training of personnel. In December 2013, IPD and SIPO signed the Co-operation Arrangement in the Area of Patent, under which SIPO would render technical assistance and support in these aspects;
 - (iv) researching into and drafting the legislative proposals to amend the Patents Ordinance; and
 - (v) planning the electronic system in support.

The OGP system has far-reaching implications for enhancing Hong Kong's protection regime for intellectual property rights and for promoting Hong Kong as a regional hub for innovation, technology and IP trading. We need to deal with the above issues carefully and maintain good communication with the stakeholders along the way. Subject to the progress of the implementation work and preparation of the legislation, we plan to launch the OGP system in 2016-17 at the earliest.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)256

(Question Serial No. 0606)

Head: (78) Intellectual Property Department

Subhead (No. & title): (-) -

Programme: (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property (LEUNG Ka-lai, Ada)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary has proposed to earmark \$23 million in the coming 3 years for offering consultation, manpower training and other services to small and medium enterprises. Will the Government inform this Committee of the details of the proposed support measures, the manpower and administration expenses involved, and the institutions responsible for providing the manpower training?

Asked by: Hon WONG Kwok-hing (Member Question No. 9)

Reply:

Set up in March 2013, the Working Group on Intellectual Property (IP) Trading (Working Group) has worked intensively to study and advise on the promotion of IP trading in Hong Kong. In November 2013, the Working Group promulgated a strategic framework (Framework) for forging ahead the development of IP trading. The Framework covers four strategic areas, namely enhancing the IP protection regime; supporting IP creation and exploitation; fostering IP intermediary services and manpower capacity; and pursuing promotion, education and external collaboration efforts.

Actions thus far

In line with the deliberations and advice of the Working Group, various actions have been underway, for example -

(i) enhancing our IP regime –

- we are implementing an “Original Grant Patent” (OGP) system, and are drawing up the requisite amendments to the Patents Ordinance (Cap 514) to provide for the legal framework of the OGP system. Subject to progress, we aim at introducing a bill into the Legislative Council in the first half of this year and launching the OGP system in 2016-17 at the earliest;
- we introduced the Copyright (Amendment) Bill 2014 into the Legislative Council in June 2014, which seeks to strengthen copyright protection in the digital environment, and safeguard users' freedom of expression. A Bills Committee is scrutinising the Bill with our full support;
- we carried out a consultation exercise from November 2014 to February 2015 on the proposed application of the Madrid Protocol to Hong Kong, which may enable trade mark owners to enjoy the convenience of one-stop service in seeking trade mark protection and manage their trade mark portfolio in multiple countries. Taking into account the consultation outcome, the Government will set out the best way forward;

(ii) supporting IP creation and exploitation –

- the Intellectual Property Department (IPD), in collaboration with the IP Committee of the Law Society of Hong Kong (Law Society), launched in December 2014 a 6-month pilot scheme to provide IP consultation services to small and medium-sized enterprises (SMEs). The Hong Kong Trade Development Council (HKTDC) has also broadened the scope of its existing advisory services to help SMEs make better use of their IP;
- the Innovation and Technology Commission (ITC), through the \$5 billion Innovation and Technology Fund, has been financing projects that contribute to innovation and technology upgrading and development. In 2014, ITC launched new improvement measures to promote private sector research and development (R&D), commercialisation of R&D outcomes, and their application in the public sector;

(iii) fostering IP intermediary services and manpower capacity –

- HKTDC launched the Asia IP Exchange (AsiaIPEX), an online IP trading portal, in December 2013 to enhance Hong Kong's online IP trading volume, capabilities and connections. As at end-February 2015, AsiaIPEX has formed alliances with 28 strategic partners local and overseas, and covered over 25 000 entries of tradable IPRs (including copyright, patents, registered design and trade marks);
- IPD commissioned in June 2014 a Survey on IP trading among IP creators, owners and users in Hong Kong. Findings of the survey are expected to be available in the first half of 2015;

(iv) pursuing promotion, education and external collaboration efforts –

- the Government co-organised the 2013 and 2014 Business of Intellectual Property Asia Forum with HKTDC and Hong Kong Design Centre. The tripartite co-organisation will continue this year, with a view to bringing this annual IP flagship event in the region to a strategic level.

Working Group Report

Following considered examination of specific policies and measures in support under the Framework, the Working Group released its Report in March 2015, with a host of recommended actions to “*Position and promote Hong Kong as the premier IP trading hub in Asia*”, which is set as our vision.

The Government has accepted the Working Group Report. Under the policy steer of CITB of CEDB, IPD will continue to work closely with other government departments and public sector and industry bodies (such as HKTDC and the Law Society) to take the recommendations forward.

Resources and Way Forward

To provide dedicated support to the Working Group and to follow up the implementation work, one Chief Executive Officer post was created in CITB in 2014-15 (for 24 months) and the total salary provision for the post is \$1.22 million annually. Other manpower and expenditure required for taking forward IP trading initiatives have been and will continue to be covered by the current establishment of and provision for CITB, IPD and relevant agencies. This includes specifically setting aside \$23 million in the coming three years to support a number of new initiatives, for example -

- (i) launching the official IP Consultation Service Scheme to provide free initial IP consultation services to SMEs, having regard to the result of the pilot scheme mentioned above;
- (ii) organising and sponsoring IP manpower training;
- (iii) promoting the development of highly specialised IP intermediary services (such as IP valuation and due diligence, and IP arbitration and mediation); and
- (iv) launching of promotion and public education campaigns.

The Government would also consider extending the scope of tax deduction for capital expenditure incurred on the purchase of IP rights (IPRs) to cover more types of IPRs.

In the course of implementing the recommended actions, the Government would continue to engage and consult relevant stakeholders and industry players to ensure smooth delivery and achieve maximum results.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)257

(Question Serial No. 0751)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: (-) Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Simon GALPIN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to the indicators provided under this Programme, the foreign direct investment flow into Hong Kong in 2012 and 2013 stood at \$580 billion and \$596 billion respectively, down from \$748 billion in 2011. At the same time, the share of foreign direct investment inflow into Hong Kong in the overall inflow into South, East and South-East Asia also fell from 25.5% in 2011 to 20.1% in 2013. Will this Committee be informed whether the Government has the preliminary data for 2014? Do the data still indicate a downward trend? The fluctuations of data may cause concern about whether Hong Kong's competitiveness has declined. Has the Government examined the issue? Moreover, will the Government adopt a strategy of developing headquarters economy and introduce more policy and tax incentives, with a view to attracting more foreign investment?

Asked by: Hon CHAN Kin-por (Member Question No. 31)

Reply:

Foreign direct investment (FDI) inflow is affected by macroeconomic conditions on a global scale. The FDI inflow into Hong Kong dropped in 2012 because of the fragile global economic conditions, it has started to pick up and increased by 2.6% in 2013. According to an annual report released by the United Nations Conference on Trade and Development (UNCTAD) in 2014, Hong Kong continues to be the second biggest FDI recipient in Asia after Mainland China in 2013. The report also remarked that Hong Kong has been highly successful in attracting transnational corporations (TNCs) and has continued to be one of the major destinations for the headquarters of TNCs targeting the markets of Asia Pacific. The growth momentum for FDI inflow continued for the first three quarters of 2014, and registered a 47% increase compared to the corresponding period in 2013. Data on the share of Hong Kong's FDI inflow in the total FDI inflow into South, East and South-East Asia in 2014 is yet to be available.

The Hong Kong economy is highly competitive, being internationally renowned for, among other areas, its economic freedom and favourable business environment. Over the years, the Heritage Foundation and the Fraser Institute have persistently rated Hong Kong as the world's freest economy. Hong Kong is also ranked the third easiest place in the world to do business, according to the World Bank's Doing Business Report 2015.

Hong Kong maintains an open, liberal and transparent investment environment, free of market entry barrier for foreign investment. Our investment promotion strategy is to provide adequate support services and infrastructure as well as a level-playing field for all companies operating in Hong Kong regardless of their country of origin. Our fundamental strengths and advantages, including free flow of information and capital, rule of law upheld by an independent judiciary, a simple tax regime with low tax rates, a rich pool of talent and professionals, a business-friendly environment as well as excellent infrastructure will continue to attract firms from the Mainland, Taiwan and overseas to set up in Hong Kong. In addition, the unique position of Hong Kong as a gateway to the Mainland has reinforced its status as an ideal location for overseas companies to establish their regional headquarters or offices.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)258

(Question Serial No. 0449)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Simon GALPIN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned under Matters Requiring Special Attention in 2015-16, Invest Hong Kong (InvestHK) will, inter alia, continue to focus investment promotion efforts on the priority sectors, with an emphasis on the financial services, creative industries as well as information and communications technology sectors. What are the specific measures and expenditures involved? Please provide figures in respect of the key priority sectors. As the Chief Executive announced in his 2013 Policy Address that we must deepen and expand our industries, how much expenditure did InvestHK spend in the past year on promoting investment in our industries? How effective were the promotion efforts? Will there be continued efforts to promote development of our industries? If so, what are the details and expenditures involved?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 15)

Reply:

Invest Hong Kong (InvestHK) prioritises its investment promotion work to support Government policy objectives. In 2014-15, InvestHK focused its investment promotion work in the financial services, creative industries as well as information and communications technology sectors. InvestHK organized sector-focused receptions and sponsored major local and overseas events to showcase Hong Kong as an ideal business location for companies in these sectors and to encourage these companies to set up offices in Hong Kong. The expenditure incurred in 2014-15 for organising and sponsoring the related events is around \$1.3 million. The figure does not include staff cost or general marketing and promotion expenses which cannot be separately itemised. In 2014, InvestHK completed a total of 46 projects from the financial services sector, 36 projects from the creative industries sector and 38 projects from the information and communications technology sector.

In 2015-16, InvestHK will continue to accord priority to promoting business sectors where Hong Kong has a competitive edge, including the financial services, creative industries as well as information and communications technology sectors. InvestHK will conduct investment promotion visits in target markets such as the Mainland, the UK, the US, Germany, France, Spain and Sweden, and organise investment promotion activities in target markets with the support of its representatives in 29 locations worldwide to encourage and assist companies in these markets to set up or expand their business in Hong Kong. InvestHK will also continue to partner with relevant organisations such as the Hong Kong Trade Development Council, the Hong Kong Tourism Board, Create Hong Kong, the Hong Kong Science and Technology Parks Corporation, Cyberport and the Hong Kong Stock Exchange in its promotion work in the priority sectors, as well as to organise sector-focused receptions and sponsor major local and overseas events, with a view to promoting the business opportunities in these priority sectors. The estimated expenditure for organising and sponsoring the related events in 2015-16 is around \$1.3 million, which is more or less the same as that in 2014-15. The figure does not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)259

(Question Serial No. 2552)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Simon GALPIN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the Matters Requiring Special Attention in 2015-16 under this programme, it is stated that Invest Hong Kong will continue to attract global startups to set up business in Hong Kong and to promote Hong Kong as a leading hub for startups and entrepreneurship. Please advise this committee how effective such work was in the past year and which global startups were attracted to Hong Kong to start their business. What was the expenditure involved? What are the specific work plans and estimated expenditure in the new financial year? In recent years, some survey reports suggested that Hong Kong was becoming less competitive. How will Invest Hong Kong promote Hong Kong as a leading hub for startups and entrepreneurship? What is the promotion focus?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 48)

Reply:

Invest Hong Kong (InvestHK) embarked on a worldwide initiative called "StartmeupHK" in 2013 to provide a one-stop service platform to global startups. The objective of the initiative is to promote Hong Kong as a leading hub for entrepreneurship, and to encourage innovative and scalable startups to use Hong Kong as a launch pad to grow their businesses.

In 2014, InvestHK assisted 62 startups to set up their business operations in Hong Kong. These startups come from different sectors including creative industries, tourism & hospitality, information & communications technology, consumer products as well as innovation & technology sectors.

The estimated actual expenditure incurred in 2014-15 for conducting the related investment promotion activities is about \$3.85 million. The figure does not include staff costs or general marketing and promotion expenses which cannot be separately itemised.

To step up its efforts in promoting Hong Kong as a leading hub for startups, InvestHK is developing its startup investment promotion strategy and objectives. InvestHK reaches out to the increasing number of stakeholders in the startup communities in Hong Kong and overseas and makes contact to startup entrepreneurs directly. Besides, in 2015-16, InvestHK will enhance its startmeup.hk website and continue to organise the StartmeupHK Venture Programme. The marketing campaign will include digital, social media and outdoor advertising in Hong Kong and key markets overseas. InvestHK will also organise StartmeupHK events in Dublin, San Francisco, and Helsinki around the time when the world's biggest startup events take place to reach out to the interested entrepreneurs.

The estimated expenditure for conducting the related investment promotion activities for 2015-16 is around \$3.85 million. The figure does not include staff costs or general marketing and promotion expenses which cannot be separately itemised.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)260

(Question Serial No. 2556)

Head: (79) Invest Hong Kong
Subhead (No. & title): (000) Operational Expenses
Programme: (-) Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Simon GALPIN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention of Invest Hong Kong in 2015-16, one of the matters included is to “continue to attract global startups to set up business in Hong Kong and to promote Hong Kong as a leading hub for startups and entrepreneurship”. How effective such work was in 2014-15? Please illustrate with specific figures or incidents. What are the specific work plans in the new financial year? How much funding will be allocated to carry out these plans? What is the anticipated effectiveness of such work?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 57)

Reply:

Invest Hong Kong (InvestHK) embarked on a worldwide initiative called “StartmeupHK” in 2013 to provide a one-stop service platform to global startups. The objective of the initiative is to promote Hong Kong as a leading hub for entrepreneurship, and to encourage innovative and scalable startups to use Hong Kong as a launch pad to grow their businesses.

In 2014, InvestHK assisted 62 startups to set up their business operations in Hong Kong. These startups come from different sectors including creative industries, tourism & hospitality, information & communications technology, consumer products as well as innovation & technology sectors.

The estimated actual expenditure incurred in 2014-15 for conducting the related investment promotion activities is about \$3.85 million. The figure does not include staff costs or general marketing and promotion expenses which cannot be separately itemised.

To step up its efforts in promoting Hong Kong as a leading hub for startups, InvestHK is developing its startup investment promotion strategy and objectives. InvestHK reaches out to the increasing number of stakeholders in the startup communities in Hong Kong and

overseas and makes contact to startup entrepreneurs directly. Besides, in 2015-16, InvestHK will enhance its startmeup.hk website and continue to organise the StartmeupHK Venture Programme. The marketing campaign will include digital, social media and outdoor advertising in Hong Kong and key markets overseas. InvestHK will also organise StartmeupHK events in Dublin, San Francisco, and Helsinki around the time when the world's biggest startup events take place to reach out to the interested entrepreneurs.

The estimated expenditure for conducting the related investment promotion activities for 2015-16 is around \$3.85 million. The figure does not include staff costs or general marketing and promotion expenses which cannot be separately itemised.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)261

(Question Serial No. 1535)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Simon GALPIN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Does the Department have any large scale investment promotion plans in 2015-16? Will there be additional resources to enhance Hong Kong's competitiveness?

Asked by: Hon. LAM Kin-fung, Jeffrey (Member Question No. 17)

Reply:

In 2015-16, Invest Hong Kong (InvestHK) will continue to organise events, such as investment promotion seminars in the Mainland and overseas markets, to sponsor or participate in major events that take place in Hong Kong and in key overseas markets, such as APAC Innovation Summit, Art Basel and Private Equity and Venture Capital Forum. These events provide opportunities for InvestHK to network with participants who are potential or existing investors, generate project leads and raise awareness of the advantages of investing in Hong Kong and the wide range of services which InvestHK provides.

InvestHK also plans to organise four joint investment promotion seminars in overseas markets in collaboration with Mainland provinces and cities, including one seminar partnering with Guangzhou in Dubai (March), one with Zhuhai in Los Angeles (June), one with Jiangmen in Taichung (October) and one with Guangdong province and Macau in South East Asia (tentatively in November).

To further promote Hong Kong as a leading hub for startups, InvestHK will organise the third StartmeupHK Venture Programme in 2015 and enhance its startmeup.hk website. The related marketing campaign will include digital, social media and outdoor advertising in Hong Kong and key markets overseas. InvestHK will organise StartmeupHK events in Dublin, San Francisco, and Helsinki around the time when the world's biggest startup events take place in those cities in order to reach out to the interested entrepreneurs.

The estimated expenditure for these promotion programmes is about \$10 million. The figure does not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)262

(Question Serial No. 1557)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Simon GALPIN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in paragraph 4 of the Controlling Officer's Report that "Invest Hong Kong conducted over 6 300 meetings with target companies", an average of 17 meetings per day, while the Department had only a staff of 35 in its establishment. Would the Government please provide the following information:

- A. The establishment and the corresponding pay points of the posts of Invest Hong Kong;
- B. The basis on which the Government chose the "target companies"; the scales of the meetings involved; the ranks of the target companies' staff whom the Department met; the purposes of the meetings;
- C. The information regarding the above-mentioned 6 300 meetings:

Region	Business turnover of the target companies (HK\$ million)	No. of meetings	Average no. of visits to each company	No. of companies investing in Hong Kong after the meetings
China (Pearl River Delta Region)	Under 50			
	50-1,000			
	1,000-5,000			
	5,000-10,000			
China (other regions)	Over 10,000			
	Under 50			
	50-1,000			
	1,000-5,000			
	5,000-10,000			
	Over 10,000			

Region	Business turnover of the target companies (HK\$ million)	No. of meetings	Average no. of visits to each company	No. of companies investing in Hong Kong after the meetings
The United States	Under 50			
	50-1,000			
	1,000-5,000			
	5,000-10,000			
	Over 10,000			
Taiwan	Under 50			
	50-1,000			
	1,000-5,000			
	5,000-10,000			
	Over 10,000			
... [other regions]	Under 50			
	50-1,000			
	1,000-5,000			
	5,000-10,000			
	Over 10,000			

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. 48)

Reply:

A.

Invest Hong Kong (InvestHK) has 35 civil service posts on its permanent establishment. Details of their rank, number and pay scale are as follows:

Rank	Number	Pay Scale
Director-General of Investment Promotion	1	Directorate pay scale D6
Administrative Officer Staff Grade C	1	Directorate pay scale D2
Investment Promotion Project Officer	2	Master pay scale 43-49
Trade Officer	11	Master pay scale 34-44
Chief Executive Officer	1	Master pay scale 45-49
Senior Executive Officer	1	Master pay scale 34-44
Executive Officer I	2	Master pay scale 28-33
Senior Personal Secretary	1	Master pay scale 22-27
Personal Secretary I	3	Master pay scale 16-21
Clerical Officer	1	Master pay scale 16-21
Assistant Clerical Officer	5	Master pay scale 3-15
Clerical Assistant	3	Master pay scale 1-10
Office Assistant	1	Master pay scale 1-6
Workman II	1	Model scale 1 pay scale 0-8
Motor Driver	1	Master pay scale 5-8

InvestHK has a total of 94 staff members in its Head Office and 15 Investment Promotion Units (IPUs) worldwide involved in conducting investment promotion meetings, including 11 civil service posts (out of the 35 mentioned above) and other staff employed on non-civil service contract terms. The number and rank of these 94 staff are as follows:

Rank of staff	Number of staff
Directorate	4
Investor Relations Officer/ Investment Promotion Project Officer	22
Investor Support Officer / Trade Officer	53
Investment Promotion Executive	1
Investment Promotion Assistant	14
Total	94

Apart from the above, InvestHK also engaged 14 overseas consultants through hire of service to conduct investment promotion work.

InvestHK targets companies that have potential and capability to set up or expand in Asia with Hong Kong being one of the candidate locations. InvestHK aims to conduct investment promotion meetings with the 'C'-level decision makers of target companies in order to encourage and attract them to set up or expand their business in Hong Kong. To this end, InvestHK would provide the latest market information, assist companies to establish business networks and strengthen ties with the companies in order to provide related services and support they may need.

In 2014, IPUs and consultants outside Hong Kong conducted over 6 300 meetings with target companies. More information of these meetings is as follows –

Region	No. of meetings [Note 1]	Average no. of meetings with each company	No. of companies set up or expanded their business in Hong Kong after the meetings [Note 2]
China (Pearl River Delta Region)	233	1.3	5
China (other regions)	1 425	1.3	18
The United States	622	1.2	7
Taiwan	287	1.1	4
other regions	2 925	1.2	28

Note 1: The number of meetings mentioned above does not include onsite meetings with individual companies while attending other overseas or Mainland investment promotion events (such as exhibitions, seminars etc.). The number of such meetings was around 800.

Note 2: Some companies may need more time to prepare for setting up or expanding their business after meetings in 2014. Figures above do not reflect this kind of case.

InvestHK does not have business turnover information of all companies that the department had meetings with.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)263

(Question Serial No. 3518)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Simon GALPIN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

While the foreign direct investment inflow into Hong Kong has increased from \$580.9 billion in 2012 to \$596.1 billion in 2013, the share of foreign direct investment inflow into Hong Kong in the overall inflow into South, East and South-East Asia for the same period has dropped from 20.4% to 20.1%. In 2015-16, Invest Hong Kong will continue with investment promotion efforts in attracting multinational companies to set up their global or regional operations in Hong Kong, in particular on the Mainland, in Taiwan and other emerging markets such as the Association of Southeast Asian Nations; and continue to focus investment promotion efforts on the priority sectors, with an emphasis on the financial services, creative industries as well as information and communications technology sectors. In the coming year, how will the Government distribute the estimated expenditure for investment promotion efforts on the Mainland, in Taiwan, emerging markets, as well as European and American countries; how will the estimated expenditure be distributed among the priority sectors; and whether funding has been earmarked and target set to increase the share of foreign direct investment inflow into Hong Kong in the overall inflow into South, East and South-East Asia?

Asked by: Hon LAM Tai-fai (Member Question No. 51)

Reply:

Invest Hong Kong (InvestHK) conducts investment promotion activities in target overseas, Mainland and Taiwan markets to promote Hong Kong's business advantages and to attract and assist companies from various business sectors in setting up or expanding their operations in Hong Kong. In 2015-16, the estimated expenditure for conducting investment promotion work by InvestHK in various markets are as follows:

Market	Estimated Expenditure in 2015-16 (HK\$ million)
Mainland	5.4
Taiwan	1
ASEAN	0.7
Others (including Europe, America, etc.)	11.3
Total	18.4

The above figures do not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

On the other hand, InvestHK will also continue to adopt a sector-focused approach when conducting investment promotion activities. In 2015-16, the estimated expenditure of InvestHK for conducting investment promotion work in various markets and sectors is around \$34 million (already includes the estimated expenditure of \$18.4 million for conducting investment promotion work in various markets), but the figure does not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

In 2014, InvestHK has completed 355 investment projects from various markets and sectors in the world. In 2015, the target is to complete 370 investment projects.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)264

(Question Serial No. 0351)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Simon GALPIN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The expenditure on the Civil Service Provident Fund contribution projected for 2015-16 increases by about 2 times, which is higher than the increase of 51% in the last financial year. Is the projected increase caused by officers leaving or retiring from the service?

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 34)

Reply:

The Civil Service Provident Fund (CSPF) Scheme is applicable to those civil servants who join the civil service on or after 1 June 2000 and are employed under permanent terms upon satisfactory completion of probation. As the number of officers eligible for joining the CSPF scheme in Invest Hong Kong will increase to six in 2015-16, there will be a corresponding rise in expenditure under this item.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)265

(Question Serial No. 1095)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Simon GALPIN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since 2014, Invest Hong Kong has launched an initiative known as “StartmeupHK” to promote Hong Kong’s advantages as a leading global hub for start-ups. In this connection, please advise:

1. Since the implementation of the initiative, with regard to attracting innovative start-ups with potential to set up business in Hong Kong, what was the number of successful cases each year? For cases where enterprises wish to set up business in Hong Kong but failed, did the Government analyse the reasons? If yes, what are the details? If not, what are the reasons?
2. Has the Government set any specific indicator and schedule for assessing the effectiveness of this initiative, with a view to implementing improvement measures? If yes, what are the details? If not, what are the reasons?

Asked by: Hon LO Wai-kwok (Member Question No. 32)

Reply:

Since the inception of the StartmeupHK programme in 2013, Invest Hong Kong (InvestHK) has provided assistance to 117 startups (55 in 2013 and 62 in 2014) to set up their companies in Hong Kong. These startups come from different sectors including creative industries, tourism & hospitality, information & communications technology, consumer products as well as innovation & technology sectors. Whether companies decide to set up in Hong Kong depends on a number of factors including their business models and strategies.

To step up its efforts in promoting Hong Kong as a leading hub for startups, InvestHK is developing its startup investment promotion strategy and objectives. InvestHK reaches out to the increasing number of stakeholders in the startup communities in Hong Kong and overseas and makes contact to startup entrepreneurs directly. Besides, InvestHK will enhance its startmeup.hk website and continue to organise the StartmeupHK Venture Programme. The marketing campaign will include digital, social media and outdoor advertising in Hong Kong and key markets overseas. InvestHK will also organise StartmeupHK events in Dublin, San Francisco, and Helsinki around the time when the world's biggest startup events take place in those cities in order to reach out to interested entrepreneurs.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)266

(Question Serial No. 4045)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: (-) Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Simon GALPIN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the Budget Speech, the Government mentioned that “InvestHK launched a large promotion campaign known as “StartmeupHK” two years ago to promote our advantages as a leading global hub for start-ups. The campaign has attracted innovative start-ups with potential to our city, and brought Hong Kong-based enterprises to the attention of many international angel and venture capital investors”. In this regard, would the Government advise this Committee on:

- (a) the activities organised under the “StartmeupHK” promotion campaign in the past 2 years, their current progress and the related expenditure;
- (b) the estimated expenditure on the promotion campaign in 2015-16;
- (c) the number and ranks of officers responsible for the promotion campaign; and
- (d) the specific work plans for the promotion campaign in 2015-16.

Asked by: Hon SIN Chung-kai (Member Question No. 62)

Reply:

Invest Hong Kong (InvestHK) embarked on a worldwide initiative called “StartmeupHK” in 2013 to provide a one-stop service platform to global startups. The objective of the initiative is to promote Hong Kong as a leading hub for entrepreneurship, and to encourage innovative and scalable startups to use Hong Kong as a launch pad to grow their businesses. In 2013 and 2014, a series of activities were organised under the StartmeupHK initiative, including a global business plan competition, the StartmeupHK Venture Programme, and a dedicated one-stop service platform for the local and overseas startup communities i.e. the startmeup.hk website. InvestHK also staged road shows and networking events in major

startup hubs in the past two years to raise awareness of Hong Kong's position as the regional hub for startups and entrepreneurs.

In the past two years, InvestHK has provided assistance to 117 startups (55 in 2013 and 62 in 2014) from different sectors including creative industries, tourism & hospitality, information & communications technology, consumer products as well as innovation & technology sectors. The actual expenditure incurred in 2013-14 for conducting the related investment promotion activities was about \$2.7 million and the estimated actual expenditure incurred in 2014-15 is about \$3.85 million. These figures do not include staff costs or general marketing and promotion expenses which cannot be separately itemised.

In 2015-16, InvestHK will enhance its startmeup.hk website and continue to organise the StartmeupHK Venture Programme. The related marketing campaign will include digital, social media and outdoor advertising in Hong Kong and key markets overseas. InvestHK will also organise StartmeupHK events in Dublin, San Francisco, and Helsinki around the time when the world's biggest startup events take place to reach out to the interested entrepreneurs.

The estimated expenditure for conducting the related investment promotion activities for 2015-16 is around \$3.85 million. The figure does not include staff costs or general marketing and promotion expenses which cannot be separately itemised. At present, one Investor Relations Officer and one Investor Support Officer are dedicated to InvestHK's startup investment promotion work. Other investment promotion staff, particularly those from the sector teams, Events Management Team as well as the Advertising and Communications Team, also contribute to the StartmeupHK initiatives as part of their normal duties.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)267

(Question Serial No. 3280)

Head: (79) Invest Hong Kong

Subhead (No. & title): (-) -

Programme: (-) Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Simon GALPIN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As regards the investment promotion efforts for the financial services, creative industries as well as information and communications technology sectors, will the Government provide the following information:

- (1) The specific details of the investment promotion work undertaken for these 3 priority sectors over the past 3 years, the expenditure involved and the effectiveness of such work; and
- (2) The specific plans for undertaking investment promotion work for these 3 priority sectors in 2015-16 and the estimated expenditure.

Asked by: Hon TIEN Pei-chun, James (Member Question No. 51)

Reply:

Invest Hong Kong (InvestHK) prioritises its investment promotion work to support Government policy objectives. In 2014-15, InvestHK accorded priority to promote business opportunities in and attracting companies from sectors where Hong Kong has competitive edge, including in particular financial services, creative industries as well as information and communications technology sectors.

To promote Hong Kong as an international financial centre and an offshore Renminbi centre, InvestHK conducted investment promotion visits in key financial markets such as London, Frankfurt, Berlin, Luxembourg and Shanghai. Through participating in and sponsoring international events, InvestHK has reached out to a diverse range of financial companies with the potential and interest in setting up in Hong Kong.

To showcase the strengths of Hong Kong as an information and communications technology hub in the region, InvestHK worked in partnership with the Hong Kong Science and Technology Parks Corporation (HKSTPC), Cyberport and other organisations to organise and participate in various overseas and local events including, for example, sponsoring the APAC Innovation Summit organised by the HKSTPC in December 2014.

On art and creative industries, InvestHK organised a business seminar in Berlin to promote the art development in Hong Kong, and through sponsoring art events and conferences focusing on creative industries both in Hong Kong and overseas, InvestHK reached out to a diverse range of international art galleries and companies in the digital media with interest to set up operations in Hong Kong.

The total expenditure incurred in organising and sponsoring the related events in the above 3 sectors in the past 3 years is about \$4 million. The figure does not include staff cost or general marketing and promotion expenses which cannot be separately itemised. In addition, InvestHK completed a total of 128 projects from the financial services sector, 102 projects from the creative industries sector and 108 projects from the information and communications technology sector in the past 3 years.

In 2015-16, InvestHK will continue to accord priority to promoting business sectors where Hong Kong has a competitive edge, including the financial services, creative industries as well as information and communications technology sectors. InvestHK will conduct investment promotion visits in target markets such as the Mainland, the UK, the US, Germany, France, Spain and Sweden, and organise investment promotion activities in target markets with the support of its representatives in 29 locations worldwide to encourage and assist companies in these markets to set up or expand their business in Hong Kong. InvestHK will also continue to partner with relevant organisations such as the Hong Kong Trade Development Council, Hong Kong Tourism Board, Create Hong Kong, the Hong Kong Science and Technology Parks Corporation, Cyberport and the Hong Kong Stock Exchange in its promotion work in the priority sectors, as well as to organise sector-focused receptions and sponsor major local and overseas events, with a view to promoting the business opportunities in these priority sectors. The estimated expenditure for organising and sponsoring the related events in 2015-16 is around \$1.3 million. The figure does not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)268

(Question Serial No. 2602)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: (-) Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Simon GALPIN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Invest Hong Kong launched a large-scale promotion campaign "StartmeupHK" two years ago to promote Hong Kong's advantage as a leading global hub for startups and attract startup entrepreneurs which were innovative and scalable to set up their business in Hong Kong. Would the Government advise:

1. the number of overseas startups which have set up their business in Hong Kong since the launch of this promotion campaign;
2. the distribution of these startups by industry;
3. the ratio of startups that still continue to operate at the moment;
4. the contents of such promotion campaign and the amount of resources that Invest Hong Kong allocated for such promotion over the past 2 years; and
5. the number of projects and amount of funding involved. Please provide a detailed breakdown.

Asked by: Hon TONG Ka-wah, Ronny (Member Question No. 57)

Reply:

Invest Hong Kong (InvestHK) assisted 55 and 62 startups to set up in Hong Kong in 2013 and 2014 respectively. The number and the sector breakdown of these startups are as follows:

Sector	2013	2014
Business and professional services	2	5
Consumer products	8	9
Creative industries	13	16
Financial services	1	6
Information and communications technology	9	9
Innovation and technology	8	6
Tourism and hospitality	12	8
Transport and industrial	2	3
Total	55	62

The total investment involved in the above projects amounts to about \$2.2 billion.

As at 15 March 2015 InvestHK has contacted 32 startup companies out of those set up in 2013, among which about 90% are still operating in Hong Kong.

In 2013 and 2014, a series of activities were organised under the StartmeupHK initiative, including a global business plan competition, the StartmeupHK Venture Programme, and a dedicated one-stop service platform for the local and overseas startup communities i.e. thestartmeup.hk website. InvestHK also staged road shows and networking events in major startup hubs in the past two years to raise awareness of Hong Kong's position as the regional hub for startups and entrepreneurs.

The actual expenditure incurred in 2013-14 for conducting the related investment promotion activities was about \$2.7 million and the estimated actual expenditure incurred in 2014-15 is about \$3.85 million. These figures do not include staff costs or general marketing and promotion expenses which cannot be separately itemised.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)269

(Question Serial No. 4883)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (-) -

Programme: (3) Time Standard and Geophysics Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi Ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please set out in tabular form the sighting of an Unidentified Flying Object (UFO) in the 18 districts in Hong Kong recorded by the Hong Kong Observatory in the past 5 years. Which district and which time slot have recorded the highest number of UFO sightings?

Asked by: Hon CHAN Chi-chuen (Member Question No. 135)

Reply:

The Hong Kong Observatory received a total of 154 reports of Unidentified Flying Object (UFO) from members of the public from 2010 to 2014. The numbers of reports each year by districts are shown in Annex A, and those by time slots are shown in Annex B. Wan Chai, Sha Tin and Yuen Long are the districts with the highest number of UFO sightings, 11 in each of them. The time slot from 10 p.m. till midnight was the one with the highest number of UFO sightings, 28.

- End -

Number of sightings of Unidentified Flying Object (UFO) by members of the public
from 2010 to 2014 by districts

District	Calendar Year				
	2010	2011	2012	2013	2014
Hong Kong Island – Eastern	1	-	2	1	2
Hong Kong Island – Wan Chai	4	2	1	1	3
Hong Kong Island – Central and Western	3	-	-	-	-
Hong Kong Island – Southern	3	1	2	1	1
Kowloon East – Kwun Tong	3	2	1	1	-
Kowloon East – Wong Tai Sin	1	1	-	-	1
Kowloon West – Yau Tsim Mong	3	1	-	1	-
Kowloon West – Kowloon City	3	1	-	1	-
Kowloon West – Sham Shui Po	3	-	-	1	-
New Territories East – Sai Kung	4	1	-	3	-
New Territories East – Sha Tin	2	2	2	3	2
New Territories East – Tai Po	3	2	2	3	-
New Territories East – North	2	3	1	-	1
New Territories West – Kwai Tsing	4	2	-	1	1
New Territories West – Tsuen Wan	1	1	1	1	2
New Territories West – Tuen Mun	5	1	-	-	2
New Territories West – Yuen Long	2	1	5	2	1
New Territories West – Islands	-	2	1	1	1
Others (District not mentioned in reports)	6	5	9	4	4
Sub-total	53	28	27	25	21
Total	154				

Number of sightings of Unidentified Flying Object (UFO) by members of the public
from 2010 to 2014 by time of the day

Time Slot	Calendar Year				
	2010	2011	2012	2013	2014
00:00-01:59	9	2	3	1	2
02:00-03:59	3	2	2	1	-
04:00-05:59	4	-	1	-	-
06:00-07:59	4	-	-	-	1
08:00-09:59	1	-	-	-	1
10:00-11:59	1	1	-	-	1
12:00-13:59	1	-	-	4	1
14:00-15:59	-	-	-	-	-
16:00-17:59	2	1	-	1	4
18:00-19:59	6	6	3	6	1
20:00-21:59	6	5	8	1	2
22:00-23:59	12	6	2	5	3
Others (Time not mentioned in reports)	4	5	8	6	5
Sub-total	53	28	27	25	21
Total	154				

CONTROLLING OFFICER'S REPLY

CEDB(CIT)270

(Question Serial No. 6085)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (000) Operational expenses

Programme: (-) -

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi Ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

a) At present, how many Senior Scientific Officers work in the Hong Kong Observatory? What are their duties?

b) What is the salary expenditure on each Senior Scientific Officer?

Asked by: Hon CHAN Ka-lok, Kenneth (Member Question No. 415)

Reply:

- (a) The Hong Kong Observatory currently has 16 Senior Scientific Officers. In general, they have to perform weather forecasting duties, and serve as heads of Divisions to guide colleagues in providing services in areas including weather, climate, seismology, radioactivity, hydrometeorology, physical oceanography, aviation meteorology, marine meteorology and applied meteorology as well as carrying out related research. They may also be required to work outdoors, in shifts, outside normal office hours or in adverse weather conditions.
- (b) Based on the notional annual mid-point salary, the average annual salary expenditure for each Senior Scientific Officer is \$1,222,560.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)271

(Question Serial No. 3388)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (-) -

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi Ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In respect of the 9-day weather forecast issued by the Hong Kong Observatory to the public, would the Government provide this Committee with information on the average accuracy, in terms of daily weather conditions, the maximum/minimum temperature as well as the humidity, of the daily 9-day weather forecast issued at 11:30 am for the next 9 days.

Asked by: Hon FUNG Kin-kee, Frederick (Member Question No. 65)

Reply:

The Hong Kong Observatory has performed objective verification of the nine-day weather forecast, taking overall account of various weather elements, including wind, state of sky, precipitation, maximum temperature, minimum temperature, visibility, etc. Verification results show that the average accuracy of the weather forecast for the next one to three days, four to seven days, and eight to nine days are about 90%, 85% and 80% respectively.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)272

(Question Serial No. 3389)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (-) -

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi Ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Would the Government advise this Committee of: the policy currently adopted by the Hong Kong Observatory (HKO) to disseminate weather information to the public; whether past, real-time and predicted weather information is provided on the HKO's website or servers in standard formats (such as JSON, XML and HTML) which is accessible by the public or service providers (webpages or mobile apps); whether reference has been made to overseas practices; whether any fees will be charged; If yes, will the HKO consider waiving the fees so that the public or service providers may access the information for free with a view to promoting the wider flow of weather information to the benefit of the community? If no, what are the reasons?.

Asked by: Hon FUNG Kin-kee, Frederick (Member Question No. 66)

Reply:

Weather information is provided by the HKO to the public in accordance with the technical guidelines of the Office of the Government Chief Information Officer. The HKO provides free real-time weather information, weather forecasts and climatological data on its website in standard formats, as well as free weather information on the Government's Data.One website (<https://data.gov.hk>) in specific formats. Many overseas meteorological authorities provide weather information in a similar manner.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 5279)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (-) -

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi Ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Please provide the expenditure of the Community Weather Information Network (Co-WIN) in 2014-15 as well as the objectives and specific estimates for promoting Co-WIN in 2015-16.
2. Please list the details of the initiative of the Hong Kong Observatory to deliver weather services through social networking platforms, and the estimated expenditure involved in 2015-16.
3. Please state the details of the Observatory's enhancement of media weather services and the estimated expenditure involved in 2015-16.
4. Please provide the total number of downloads of the mobile application "MyObservatory" since its launch. Please provide the expenditure for the Observatory's regular updating of its mobile application "MyObservatory" in 2015-16.

Asked by: Hon KWOK Ka-ki (Member Question No. 102)

Reply:

1. The Community Weather Information Network (Co-WIN) is a joint public education initiative between the Hong Kong Observatory and the Hong Kong Polytechnic University. Network members share weather observation data through a platform on the Internet for real-time public dissemination. In 2015-16, Co-WIN will organise a "Weather Observation Investigative Study and Weather Photos Competition" to encourage students to carry out first-hand weather observations, so as to broaden their knowledge of weather and climate. The Observatory uses existing resources to carry out such work. As the expenditure has been subsumed into the provision for the Observatory, it is difficult to quantify it separately.

2. In 2015-16, the Observatory will continue to utilise various social media platforms including YouTube, Twitter, Sino Weibo, WeChat and Facebook to provide weather services (including weather programmes, weather reports, warnings of hazardous weather and earthquake messages), as well as to promote weather observation and meteorological education. The Observatory uses existing resources to provide such services. As the expenditure has been subsumed into the provision for the Observatory, it is difficult to quantify it separately.
3. The Observatory will enhance the quality of TV weather programmes in 2015-16 through the commissioning of a professional weather graphics presentation system. The new system can display more types of meteorological information of Hong Kong and other places. Weather information can be more effectively communicated through the better use of graphics and animation. The expenditure for acquiring the system is about \$1.4 million.
4. The mobile application “MyObservatory” has been downloaded for about 4 780 000 times (up to end-February 2015) since launching. The Observatory uses existing manpower and resources to update the application. As the expenditure has been subsumed into the provision for the Observatory, it is difficult to quantify it separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)274

(Question Serial No. 5283)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (-) -

Programme: (3) Time Standard and Geophysical Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi Ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please list the number of seminars on climate change expected to be organised by the Hong Kong Observatory and the estimated expenditure involved in 2015-16.

Asked by: Hon KWOK Ka-ki (Member Question No. 107)

Reply:

In 2015-16, the Hong Kong Observatory plans to give around 50 seminars on climate change. The Observatory uses existing manpower and resources to carry out this task. The expenditure has been subsumed into the provision for the Observatory. It is difficult to quantify such expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)275

(Question Serial No. 0269)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (-) -

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi Ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2015-16, the Hong Kong Observatory (HKO) will acquire new Light Detection and Ranging systems to replace the ageing systems at the runways at the Hong Kong International Airport (HKIA). What are the merits of the new systems when compared to the existing installations? What will be the cost of acquiring the new systems?

Asked by: Hon LAU Wong-fat (Member Question No. 11)

Reply:

The new Light Detection and Ranging (LIDAR) systems that the HKO plans to procure will improve the scanning range and precision compared with that of the existing ones. They would enhance the accuracy of windshear detection and alert. The approved estimates of the LIDAR systems for the south and north runways of the HKIA are \$9.97 million each¹. The final expenditure is subject to competitive bidding.

¹ Respectively Subheads 8031ZF and 8033ZF of Head 708 (Capital Subvention and Major Systems and Equipment) under the Capital Works Reserve Fund.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)276

(Question Serial No. 0331)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (-) -

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi Ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2014-15, the Hong Kong Observatory (HKO) provided new service on Hot Weather Special Advisory to raise public awareness of the impact of hot weather and launched a trial Hong Kong Heat Index on HKO website for monitoring hot weather conditions.

- (a) Please list out the expenditures and manpower involved in providing the above new service on Hot Weather Special Advisory and Hong Kong Heat Index; and
- (b) Does the HKO continue to study whether there is a need to introduce a thermal stress index for public dissemination? Is the research work on thermal indices still carried on as mentioned before, by making reference to the Guideline on Universal Thermal Climate Index by the World Meteorological Organisation? If yes, please list out the manpower and expenditures involved.

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 14)

Reply:

- (a) In 2014 the Observatory launched a new service on Hot Weather Special Advisory and a trial Hong Kong Heat Index. The latter is consistent with similar indices adopted in other places of the world, representing the effect of temperature, humidity, wind speed and solar radiation on the human body during hot weather. The Observatory uses existing manpower and resources to carry out the work. As the expenditure has been subsumed into the provision for the Observatory, it is difficult to quantify it separately.

- (b) The World Meteorological Organization has not yet issued any universal guidelines on heat stress index. In developing the Hong Kong Heat Index, the Observatory has made reference to the experience of various places in the world and has collaborated with a local university to ensure that the Index suits the local environment. The Observatory will evaluate the effectiveness of the Hot Weather Special Advisory and the Hong Kong Heat Index to better the information service. The Observatory uses existing manpower and resources to carry out the work. As the expenditure has been subsumed into the provision for the Observatory, it is difficult to quantify it separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)277

(Question Serial No. 0332)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (-) -

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi Ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Observatory will further develop and promote outreach and public educational activities to increase the society's awareness of and preparedness for natural disasters and climate change in 2015-16. Please provide details of the staffing for educational and promotional activities, the expenditure involved, and the description of the expenditure in the past 5 years (including 2015-16).

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 15)

Reply:

The Hong Kong Observatory has been carrying out various educational and outreaching activities throughout the years, such as the annual Open Day, public seminars and school talks, public tours of the Observatory, the "Community Weather Information Network" project (whereby Network members share weather observation data through the Internet for real-time public dissemination), etc. Since early 2014, the Observatory has also launched "Cool Met Stuff" TV weather programmes. The Observatory uses existing manpower and resources to carry out the activities. As the expenditure has been subsumed into the provision for the Observatory, it is difficult to quantify it separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)278

(Question Serial No. 0568)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (-) -

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi Ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2015-16, the Hong Kong Observatory will acquire new Light Detection and Ranging systems and a short-range Light Detection and Ranging system. Would the Government advise on:

1. whether any new Light Detection and Ranging system was acquired by tender in 2014-15? If yes, what was the expenditure on the system of the successful tender? If no, what were the reasons?
2. the respective provisions for the two types of system?

Asked by: Hon POON Siu-ping (Member Question No. 47)

Reply:

1. The tender procedures for the new Light Detection and Ranging (LIDAR) systems started in March 2015 and are ongoing, while those for the short-range LIDAR system have yet to start. The final expenditure is subject to competitive bidding.
2. The approved estimates of the LIDAR systems for the south and north runways of the Hong Kong International Airport are \$9.97 million each, while those of the short-range LIDAR system are \$2.1 million¹.

¹ Respectively Subheads 8031ZF, 8033ZF and 8034ZF of Head 708 (Capital Subvention and Major Systems and Equipment) under the Capital Works Reserve Fund.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)279

(Question Serial No. 2006)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the past, the Mainland and Hong Kong Closer Economic Partnership Agreement (CEPA) has been criticised by the public as “the big doors are open, but the small ones are not yet open”. In this regard, could the Government please advise:

- (a) The numbers of consultations held annually by the Government with official, semi-official and non-official agencies of the Mainland respectively in the past three years; and
- (b) The number of cases received annually by the Government in the past three years regarding parties from Hong Kong investing in the Mainland and seeking assistance; and the annual manpower and expenditure involved respectively.

Asked by: Hon CHAN Han-pan (Member Question No. 7)

Reply:

The HKSAR Government attaches great importance to the effective implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). We have been working closely with the Mainland authorities at central, provincial and municipal levels to address and follow up on problems encountered by Hong Kong enterprises in using CEPA liberalisation measures in the Mainland. Over the past 3 years, the Trade and Industry Department (TID), together with other bureaux and departments, has convened a total of 7 meetings with Mainland authorities, including the CEPA Implementation Senior Officials' Meetings, the CEPA Joint Working Group Meetings and the Guangdong/Hong Kong CEPA Services Expert Group Meetings, to relay concerns of the trade on the implementation of CEPA and achieved positive outcome. On the other hand, the HKSAR Government has co-organised 5 CEPA seminars with provincial and municipal governments in the Mainland to deepen the understanding of Mainland officials on the CEPA preferential measures and encourage them to put in place necessary arrangements for assisting the trade

in using CEPA more effectively to access the Mainland market. Moreover, relevant bureaux and departments of the HKSAR Government and its offices in the Mainland have various exchanges with their Mainland counterparts on the implementation of CEPA from time to time.

The TID provides free information and advisory services on CEPA. Over the past 3 years, the TID has received an annual average of 11 000 enquiries on CEPA. There is no detailed breakdown on requests for assistance relating to investment in the Mainland.

The relevant manpower and expenditure have been subsumed under the establishment and provision of the TID. It is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0170)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government states in this Programme that in 2015-16 it will discuss, in consultation with relevant bureaux and departments and the trade, with Mainland authorities on further liberalisation under CEPA so as to realise the goal of basically achieving liberalisation of trade in services between the Mainland and Hong Kong by the end of the National 12th Five-Year Plan period; and enhance the effective implementation of CEPA and its supplemental agreements. It is learnt that the Mainland Division under the Trade and Industry Department undertakes the aforesaid tasks. Would the Government please advise the Committee what the main duties, respective operational expenses, establishment and estimated annual emolument expenses of the Mainland Division under the Trade and Industry Department in 2015-16 are?

Asked by: Hon CHAN Wai-yip, Albert (Member Question No. 47)

Reply:

The Mainland Division of the Trade and Industry Department (TID) is mainly responsible for the bilateral commercial relations with the Mainland, including further liberalisation, implementation, publicity and promotion of the Mainland and Hong Kong Closer Economic Partnership Arrangement as well as facilitating the trade in adjusting to changes in the Mainland's policies of significant impact on business operations. In addition, the Mainland Division is responsible for handling part of TID's licensing services, including Rough Diamond Certification Scheme, issue of Import and Export Licence covering Ozone Depleting Substances, Transshipment Cargo Exemption Scheme and manifest checking service.

In 2015-16, there are 67 posts in the establishment of the Mainland Division, with a notional annual mid-point salary value of \$34.32 million. Other operational expenses have been subsumed under the overall estimated expenditure of TID. It is difficult to quantify such expenses separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)281

(Question Serial No. 0692)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Budget Speech mentioned that thousands of Hong Kong residents have set up individually-owned stores in the Mainland in accordance with the preferential treatment under CEPA. Please list out respectively the number of approved applications for Hong Kong residents to set up individually-owned stores in the Mainland in the past 3 years according to the scope of services, the provinces/municipalities of the operations and the year(s) of operation.

Asked by: Hon CHAN Yuen-han (Member Question No. 6)

Reply:

In accordance with the relevant provisions under CEPA, Hong Kong residents can apply directly to the Mainland authorities for setting up individually-owned stores in the Mainland without first applying for the Certificate of Hong Kong Service Supplier from the Trade and Industry Department. The total figures of Hong Kong residents setting up individually-owned stores in the Mainland are from data provided by the Mainland authorities in which no specific information on the scope of business, the locating provinces/municipalities, the year(s) of operation and the number of approved applications are mentioned. According to the information provided by the Mainland authorities, as at end of June 2014, there were over 6 000 Hong Kong individually-owned stores registered in the Mainland, engaging 18 000 persons with capital amounting to RMB580 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)282

(Question Serial No. 0694)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the number of applications for Certificate of Hong Kong Service Supplier received and approved respectively in the past three years according to 'sole-proprietorship, partnership or other unincorporated body of persons', 'designated professionals', 'companies incorporated or registered under the Companies Ordinance', applied service sectors, years of operation and number of renewals.

Asked by: Hon CHAN Yuen-han (Member Question No. 5)

Reply:

Pursuant to Annex 5 to the Mainland and Hong Kong Closer Economic Partnership Agreement (CEPA), Hong Kong service supplier in the form of 'juridical person' must submit a Hong Kong Service Supplier Certificate (HKSS Certificate) issued by the HKSAR Government when applying to the Mainland's examining authorities for the preferential treatment under CEPA. 'Juridical person' means sole proprietorship, joint venture, partnership or other unincorporated entity, corporation or company which is duly incorporated or established under the laws of Hong Kong and has obtained a Business Registration Certificate. Hong Kong service supplier in the form of 'natural person' (i.e. Hong Kong permanent resident) is not required to submit the HKSS Certificate.

The number of applications for HKSS Certificate received and approved according to the service sectors in the past three years are provided below (Note: Since applicants of the HKSS Certificate are only required to submit documents to substantiate that they have engaged in substantive business operations in Hong Kong for three (or five) consecutive years before lodging the applications and are not required to declare their years of operation, the Trade and Industry Department does not have such information):

In 2012:

	Service Sector	Number of Applications Received		Number of Applications Approved ¹	
		Total	Applications for Renewal	Total	Applications for Renewal
1	Legal services	4	3	4	3
	(Applications submitted by sole-proprietorship, partnership or other unincorporated body of persons):	(2)	(1)	(2)	(1)
2	Medical and dental services	12	5	12	5
3	Real estate services	2	1	2	1
4	Construction professional services and construction and related engineering services	15	13	14	12
5	Placement and supply services of personnel	57	31	54	29
6	Computer and related services and information technology services	4	1	2	1
7	Value-added telecommunications services	12	8	11	8
8	Telecommunication services	1	0	1	0
9	Audiovisual services	29	8	28	8
10	Cultural services	7	2	6	2
11	Distribution services	15	11	14	11
12	Insurance and insurance-related services	6	3	6	3
13	Banking and other financial services	6	6	6	6
14	Securities and futures services	1	1	1	1
15	Travel related services	14	6	16	7
16	Environmental services	1	1	1	1
17	Transport and logistics services	182	140	181	134
	(Applications submitted by sole-proprietorship, partnership or other unincorporated body of persons):	(2)	(0)	(2)	(0)
18	Air transport services	110	32	108	32
19	Advertising services	26	10	25	9
20	Printing services	43	0	42	0
	(Applications submitted by sole-proprietorship, partnership or other unincorporated body of persons):	(12)	(0)	(12)	(0)

¹ Since some applications were submitted in the preceding year and were approved in the following year, the number of applications approved for certain service sector(s) were larger than that received in the same year.

	Service Sector	Number of Applications Received		Number of Applications Approved ¹	
		Total	Applications for Renewal	Total	Applications for Renewal
21	Photographic services	1	0	1	0
22	Convention and exhibition services	2	1	2	1
23	Management consulting and related services	9	3	9	3
Grand total:		559	286	546	277

In 2013:

	Service Sector	Number of Applications Received		Number of Applications Approved ¹	
		Total	Applications for Renewal	Total	Applications for Renewal
1	Legal services	3	1	3	1
	(Applications submitted by sole-proprietorship, partnership or other unincorporated body of persons):	(1)	(1)	(1)	(1)
2	Accounting, auditing and bookkeeping services	2	1	1	0
3	Education services	1	0	1	0
4	Medical and dental services	6	3	6	3
5	Other human health services	2	0	2	0
6	Real estate services	4	2	4	2
7	Construction professional services and construction and related engineering services	7	6	7	7
8	Research and experimental development services on natural sciences and engineering	1	0	1	0
9	Placement and supply services of personnel	42	13	42	14
10	Computer and related services and information technology services	2	2	2	2
11	Value-added telecommunications services	9	6	9	6
12	Telecommunication services	1	1	1	1
13	Audiovisual services	21	9	22	9
14	Cultural services	10	3	11	3
15	Distribution services	8	8	9	8
16	Insurance and insurance-related services	4	2	4	2

	Service Sector	Number of Applications Received		Number of Applications Approved ¹	
		Total	Applications for Renewal	Total	Applications for Renewal
17	Banking and other financial services	1	1	1	1
18	Securities and futures services	3	2	3	2
19	Travel related services	11	5	10	4
20	Transport and logistics services	177	104	176	105
	(Applications submitted by sole-proprietorship, partnership or other unincorporated body of persons):	(1)	(0)	(1)	(0)
21	Air transport services	146	52	143	49
22	Advertising services	18	5	19	6
23	Trade mark agency services	2	1	2	1
	(Applications submitted by sole-proprietorship, partnership or other unincorporated body of persons):	(2)	(1)	(2)	(1)
24	Printing services	24	3	24	3
	(Applications submitted by sole-proprietorship, partnership or other unincorporated body of persons):	(7)	(0)	(7)	(0)
25	Convention and exhibition services	1	1	1	1
26	Management consulting and related services	4	0	4	0
27	Administrative and support services	2	0	2	0
28	Other business services	3	0	3	0
29	Services incidental to manufacturing	4	0	4	0
Grand total:		519	231	517	230

In 2014:

	Service Sector	Number of Applications Received		Number of Applications Approved ¹	
		Total	Applications for Renewal	Total	Applications for Renewal
1	Legal services	3	1	3	1
	(Applications submitted by sole-proprietorship, partnership or other unincorporated body of persons):	(2)	(0)	(2)	(0)
2	Education services	1	0	1	0
3	Medical and dental services	14	8	12	8
4	Other human health services	2	0	2	0
5	Real estate services	3	3	3	3

	Service Sector	Number of Applications Received		Number of Applications Approved ¹	
		Total	Applications for Renewal	Total	Applications for Renewal
6	Construction professional services and construction and related engineering services	14	12	14	12
7	Placement and supply services of personnel	39	22	38	20
8	Computer and related services and information technology services	2	2	2	2
9	Value-added telecommunications services	10	7	10	7
10	Telecommunication services	2	0	1	0
11	Audiovisual services	26	16	26	16
12	Cultural services	8	3	8	3
13	Distribution services	21	10	21	10
14	Insurance and insurance-related services	6	4	5	4
15	Banking and other financial services	6	5	6	5
16	Securities and futures services	5	1	5	1
17	Travel related services	16	8	16	8
18	Transport and logistics services	184	132	181	128
	(Applications submitted by sole-proprietorship, partnership or other unincorporated body of persons):	(2)	(2)	(2)	(2)
19	Air transport services	153	52	156	53
20	Advertising services	28	13	27	12
21	Trade mark agency services	1	0	1	0
	(Applications submitted by sole-proprietorship, partnership or other unincorporated body of persons):	(1)	(0)	(1)	(0)
22	Printing services	7	2	8	2
	(Applications submitted by sole-proprietorship, partnership or other unincorporated body of persons):	(1)	(0)	(1)	(0)
23	Photographic services	2	1	2	1
24	Convention and exhibition services	4	1	4	1
25	Management consulting and related services	9	3	8	3
26	Administrative and support services	2	0	2	0
27	Factoring services	2	0	2	0
28	Rental/Leasing services	1	0	1	0
29	Other business services	2	0	2	0

	Service Sector	Number of Applications Received		Number of Applications Approved ¹	
		Total	Applications for Renewal	Total	Applications for Renewal
30	Services incidental to manufacturing	1	0	1	0
Grand total:		574	306	568	300

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)283

(Question Serial No. 6270)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Would the Government please provide the statistics on the rice imported into Hong Kong from various regions for the past 5 years?

Year	Country of Origin				
	Thailand	Vietnam	Japan	Taiwan	Other regions
2010					
2011					
2012					
2013					
2014					

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. 619)

Reply:

The table below shows the statistics on rice imported into Hong Kong from various regions in the past five years. Hong Kong's major suppliers of rice are Thailand, Vietnam and Mainland China.

Year	Country of Origin								
	Thailand	Vietnam	Mainland China	Australia	USA	Japan	Cambodia	Taiwan	Other regions
2010	218.4 (67.5%)	58.7 (18.1%)	41.5 (12.8%)	2.0 (0.6%)	0.8 (0.3%)	0.7 (0.2%)	0.07 (small quantity)	0.3 (0.1%)	1.2 (0.4%)
2011	203.9 (60.7%)	94.7 (28.2%)	31.3 (9.3%)	3.1 (0.9%)	0.6 (0.2%)	0.9 (0.3%)	0.8 (0.2%)	0.4 (0.1%)	0.4 (0.1%)
2012	156.9 (51.0%)	109.3 (35.5%)	24.3 (7.9%)	6.9 (2.2%)	5.2 (1.7%)	1.0 (0.3%)	0.5 (0.2%)	0.6 (0.2%)	3.2 (1.0%)
2013	146.8 (44.7%)	137.2 (41.8%)	25.6 (7.8%)	6.2 (1.9%)	6.7 (2.0%)	1.3 (0.4%)	0.8 (0.2%)	0.6 (0.2%)	3.3 (1.0%)
2014	154.3 (48.2%)	126.4 (39.5%)	23.8 (7.5%)	6.1 (1.9%)	4.1 (1.3%)	1.7 (0.5%)	1.2 (0.4%)	0.8 (0.3%)	1.4 (0.4%)

(Unit: 000 tonnes; percentage share in brackets)

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)284

(Question Serial No. 0283)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (3) Support for Small and Medium Enterprises and Industries, there will be an increase of two posts in 2015-16. Please advise this Committee the reasons for the increase, details of these posts, main duties covered by these posts and the expenditure involved.

Asked by: Hon CHUNG Kwok-pan (Member Question No. 2)

Reply:

Under Programme (3), the Department will create 2 Assistant Trade Officer II posts in 2015-16 to replace 3 existing non-civil service contract (NCSC) staff positions for processing applications under the SME Export Marketing Fund. The expenditure for the creation of the posts will be offset by the savings from the deletion of the NCSC positions. Hence, no additional expenditure will be involved.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)285

(Question Serial No. 0290)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2015-16, the Trade and Industry Department will facilitate the trade in adjusting to changes in the Mainland's trade and economic policies of significant impact on business operations and in the global economic environment. Will the Government please advise the details of the work done in this area in 2014-15? What was the expenditure involved? What was the effectiveness? What are the specific measures in the coming year? Will there be additional expenditure to facilitate the trade in adjusting to markets in response to changes in external economic environment?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 11)

Reply:

The Trade and Industry Department (TID) has been endeavouring to facilitate the trade in adjusting to changes in the Mainland's trade and economic policies of significant impact on business operations and in the global economic environment.

In 2014-15, TID maintained close dialogue with the trade through various channels, in order to understand concerns and views of the trade. At the same time, we have maintained close liaison with the Mainland authorities at various levels (including the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to relay to them the trade's views and to discuss with them support measures for the trade. In addition, TID from time to time disseminates information to Hong Kong enterprises by means of circulars to enhance the trade's understanding of the Mainland's new policies, legislation and business environment. A total of about 700 circulars were issued in 2014-15. TID's website also includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland.

In face of changes in the global economic environment, relevant work carried out by TID and its outcome in 2014-15 are as follows:

- (i) Monitoring closely changes in the trade regulations of our trading partners and the trade remedy measures against Hong Kong-origin products, disseminate relevant information through commercial trade circulars and giving prompt advice to local traders and manufacturers, and lodging timely defence against any unfair or unfounded allegations and measures;
- (ii) Promoting trade and investment cooperation with other economies (including emerging markets); and
- (iii) Participating in regional economic cooperation fora, in particular the work of the Asia-Pacific Economic Cooperation and Pacific Economic Cooperation Council, discussing with other members the challenges brought about by the changes in the regional and global economic environment and the ways to address them, promoting regional economic growth and integration and enhancing the business environment in the region.

In 2015-16, TID will continue to monitor changes in the Mainland's trade and economic policies of significant impact on business operations and in the global economic environment to provide the trade with appropriate assistance and enhance the cooperation in trade and investment with other economies. Given the persistent uncertainties in the traditional European and U.S. markets, we will continue to strengthen the liaison work with the emerging markets, encourage and support the trade to tap into these markets.

Assisting the trade in adjusting to changes in the Mainland's trade and economic policies of significant impact on business operations and in the global economic environment is part of the overall work on commercial relations. The relevant expenditure has been subsumed under the overall estimated expenditure for all commercial relations work. It is difficult to account for the relevant manpower and financial resources separately.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0291)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work of trade support and facilitation, the matters which the Trade and Industry Department will pay special attention to in 2015-16 include liaising closely with the Mainland authorities and local traders on the Mainland issues of significant impact on business operations, and helping to reflect the trade's concerns to the relevant Mainland authorities. Please advise on the effectiveness of such work done in 2014-15, particularly those affecting small and medium enterprises. Which provincial and municipal authorities in the Mainland were liaised with? What specific work has been carried out? What was the expenditure involved? How will such work be implemented in the new financial year and what are the specific measures and targets?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 12)

Reply:

In 2014-15, the Trade and Industry Department (TID) has maintained close dialogue with the trade through various channels, so as to understand the trade's concerns and views. At the same time, we have maintained close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to relay to them the trade's views and to discuss with them support measures for the trade. In addition, TID from time to time disseminates information to Hong Kong enterprises by means of circulars to enhance the trade's understanding of the Mainland's new policies, legislation and business environment, and a total of about 700 circulars were issued in 2014-15. TID's website also includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland.

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

In 2015-16, TID will continue to implement the above measures to assist Hong Kong enterprises in operating in the Mainland.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)287

(Question Serial No. 0447)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the tasks of the Trade and Industry Department (TID) in support of the small and medium enterprises (SMEs) and industries is to assist Hong Kong enterprises in the development and promotion of brands to enhance their competitiveness in the Mainland and overseas markets. The Government has indicated in recent years that it would assist in the promotion of "Hong Kong Brands". What efforts has TID made in this area in 2014-15? What was the expenditure involved? How will the relevant work be implemented in 2015-16 and what are the details? What are the specific measures? What is the estimated expenditure?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 13)

Reply:

TID endeavours to assist Hong Kong enterprises in developing brands and exploring the Mainland and overseas markets. Its SME Export Marketing Fund (EMF) provides financial support to small and medium enterprises (SMEs) for participating in export promotion activities; while the SME Development Fund (SDF) provides financial support to non-profit-distributing organisations to carry out projects which enhance the competitiveness of SMEs in general or in specific sectors in Hong Kong. The revised estimated expenditure of the above funds for 2014-15 is around \$238 million and the estimated expenditure for 2015-16 is \$262 million.

The 2015-16 Budget proposed to inject \$1.5 billion into the above-mentioned Funds and implement improvement measures to enhance their support to SMEs. On SDF, we propose to increase the maximum amount of funding support for each project from \$2 million to \$5 million. On EMF, we propose to expand the scope of funding to cover more types of export promotion activities. We will consult the Small and Medium Enterprises Committee and the Legislative Council Panel on Commerce and Industry on the proposals, before seeking funding approval from the Finance Committee.

In addition, we launched the \$1 billion Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in June 2012 to provide funding support to individual enterprises and non-profit-distributing organisations, so as to assist enterprises in enhancing their competitiveness and furthering their business development in the Mainland. Up to the end of December 2014, 267 and 44 applications were approved under the Enterprise Support Programme and Organisation Support Programme of the BUD Fund respectively, and the total amount of funding approved is about \$262.8 million. Another 19 applications from enterprises were granted conditional approval, the final approval of which and the amount of grants will be subject to further information submitted by the applicants.

Moreover, in 2014-15, TID also co-operated with the Hong Kong Trade Development Council, local business associations and other relevant organisations to organise seminars for which renowned local, Mainland and overseas entrepreneurs and experts were invited to share their experience in establishing brands and market development strategies. In addition, TID also disseminated practical reference information relating to brand development to Hong Kong enterprises through various channels (such as brand promotion website). We will continue work in this aspect in 2015-16 and the expenses involved will be covered by the recurrent expenditure of TID.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)288

(Question Serial No. 2553)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The aim of the work of the Trade and Industry Department (TID) under this programme is to support and facilitate the development of Hong Kong's small and medium enterprises (SMEs) and industries. Would the Government please advise this Committee of its specific work and resources or expenses on facilitating the development of Hong Kong's industries in the past year? What are the new work plans for facilitating the development of Hong Kong's industries in 2015-16? What is the expenditure involved? For example, in recent years, a number of manufacturers who have set up factories in the Mainland intend to relocate back to Hong Kong for development. Will the Government provide support to them? If yes, what are the specific measures? What are the resources to be allocated? If not, what are the reasons?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 50)

Reply:

In 2014-15, the Trade and Industry Department (TID) liaised closely with the trade and business associations, and provided timely and adequate support in response to issues of concern to the trade. TID also discussed with the trade issues affecting their development and support measures for them through various advisory boards, such as the Trade and Industry Advisory Board, Textiles Advisory Board and Small and Medium Enterprises Committee, etc. TID further provided enterprises including manufacturers with the latest market information and advisory services through different channels, and administered various funding schemes (including the SME Loan Guarantee Scheme, the SME Export Marketing Fund (EMF), the SME Development Fund (SDF) as well as the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund)) to enhance the competitiveness of enterprises of different industries.

The 2015-16 Budget proposed to inject \$1.5 billion into the EMF and the SDF and implement improvement measures to enhance their support to SMEs. On SDF, we propose to increase the maximum amount of funding support for each project from \$2 million to \$5 million. On EMF, we propose to expand the scope of funding to cover more types of export promotion activities. We will consult the Small and Medium Enterprises Committee and the Panel on Commerce and Industry of the Legislative Council on the proposals, before seeking funding approval from the Finance Committee.

The Government's policy is to create a business-friendly environment and provide timely and adequate support so that our trade can flourish. As regards the development of industries, given the land and manpower constraints in Hong Kong, land-intensive and low value-added while labour-intensive industries may not help create high quality job opportunities or benefit the long term development of the Hong Kong economy. We therefore consider that we should focus our resources on high value-added and high technology industries or processes that we have competitive edges or that have development potential. The various initiatives being undertaken by the Government, including the SME Funding Schemes of TID, provide support to enterprises including those interested in relocating their operations back to Hong Kong in areas such as obtaining finance and enhancing their overall competitiveness.

The expenditure of the above work has been subsumed within the provision of the bureaux/departments concerned, and is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)289

(Question Serial No. 2768)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2015-16, the Trade and Industry Department will discuss, in consultation with relevant bureaux and departments and the trade, with Mainland authorities on further liberalisation under Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) so as to realise the goal of basically achieving liberalisation of trade in services between the Mainland and Hong Kong by the end of the National 12th Five-Year Plan period; and enhance the effective implementation of CEPA and its supplemental agreements. Would the Government please advise on the details of the relevant work, the expenditure involved, the manpower arrangement, the effectiveness of CEPA so far since its implementation, and the areas that need review or rationalisation.

Asked by: Hon LAM Tai-fai (Member Question No. 25)

Reply:

The HKSAR Government is committed to assisting Hong Kong businesses in accessing the Mainland market through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), by seeking various preferential and facilitation measures for the trade, lowering the entry threshold and relaxing the scope of services, etc. In December last year, the Mainland and Hong Kong signed the Agreement between the Mainland and Hong Kong on Achieving Basic Liberalization of Trade in Services in Guangdong under CEPA for achieving early basic liberalisation of trade in services in Guangdong Province. On this basis, the HKSAR Government will continue to strive to further open up the Mainland market to the Hong Kong services sectors by broadening and deepening the scope of liberalisation with a view to achieving the goal of basic liberalisation of trade in services between the Mainland and Hong Kong by the end of this year.

The HKSAR Government also attaches great importance to the effective implementation of CEPA. We have been working closely with the Mainland authorities at central, provincial and municipal levels to address and follow up on problems encountered by Hong Kong enterprises in using CEPA liberalisation measures in the Mainland. To further enhance the mechanism for implementation of CEPA measures, the HKSAR Government and the Ministry of Commerce set up a Joint Working Group to discuss the problems encountered by the trade in using CEPA at provincial and municipal levels and achieved positive outcome.

Apart from providing free information and advisory services on CEPA, the Trade and Industry Department (TID) has established a notification mechanism with the Mainland authorities to disseminate information in relation to the promulgation of relevant regulations and implementation details on its CEPA website for the trade's reference.

As in the past, we will review the above mechanisms from time to time and make timely improvements. We will also continue to work closely with the Mainland to assist the trade in making better use of CEPA liberalisation measures and gaining greater access to the Mainland market.

The CEPA-related work outlined above is carried out by different government agencies. The Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) is responsible for the overall policy on CEPA; TID oversees bilateral discussions on further liberalisation and implementation of liberalisation measures under CEPA; and individual bureaux and departments deal with liberalisation and specific implementation issues in the relevant service sectors. The manpower and financial resources involved in the work are absorbed by relevant bureaux or departments. We do not have information on the actual amount.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)290

(Question Serial No. 2773)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Trade and Industry Department (TID) helps Hong Kong enterprises develop and promote brands to enhance the competitiveness of such enterprises in the Mainland and overseas markets. Such work includes administering the Organisation Support Programme of the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), which was launched in 2012 to help Hong Kong enterprises to develop brands, upgrade and restructure operations and promote domestic sales in the Mainland. Would the Government please advise on the expenditure and manpower spent over the past five years to help the industrial sector upgrade and restructure operations, and enhance the long-term competitiveness of Small and Medium Enterprises (SMEs); and the details of the increase in estimated expenditure, expenditure involved and manpower arrangement for the coming financial year.

Asked by: Hon LAM Tai-fai (Member Question No. 30)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched in June 2012. Up to the end of December 2014, the Organisation Support Programme (OSP) of the BUD Fund has processed 103 applications, 44 of which were approved involving a total grant amount of about \$143 million. In 2015-16, the estimated expenditure of the OSP is \$45.3 million.

The Trade and Industry Department (TID) also administers the SME Development Fund (SDF) to provide financial support to non-profit-distributing organisations (including trade and industrial organisations, professional bodies and research institutes, etc.) to implement projects which aim at enhancing the competitiveness of SMEs in general or in specific sectors in Hong Kong. From April 2010 to the end of February 2015, the SDF has processed a total of 178 applications, 93 of which were approved, involving a total grant

amount of about \$110 million. In 2015-16, the estimated expenditure of the SDF is \$24 million.

The manpower and expenditure required for implementing the OSP and the SDF have been subsumed within the establishment and provision for TID, and are difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)291

(Question Serial No. 2787)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Trade and Industry Department's major work includes close liaison with the trade and discussion with the Mainland authorities over measures to support and facilitate the trade to adjust to Mainland policy changes. Would the Government please advise respectively on the details of the relevant work, the expenditure involved, the manpower arrangement and the effectiveness of those work? Will the Inland Revenue Ordinance section 39E be relaxed to assist the trade? If yes, what are the details of the relevant work, the expenditure involved and the manpower arrangement? If not, what are the reasons?

Asked by: Hon LAM Tai-fai (Member Question No. 56)

Reply:

The Trade and Industry Department (TID) endeavours to facilitate the trade in adjusting to changes in the Mainland's trade and economic policies of significant impact on business operations.

TID has maintained close dialogue with the trade through various channels, so as to understand the trade's concerns and views. At the same time, we have maintained close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to relay to them the trade's views and to discuss with them support measures for the trade. In addition, TID from time to time disseminates information to Hong Kong enterprises by means of circulars to enhance the trade's understanding of the Mainland's new policies, legislation and business environment, and a total of about 700 circulars were issued in 2014-15. TID's website also includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access

to economic and trade information of the Mainland. The manpower and expenditure of the above-mentioned work have been subsumed within the establishment and provision for this Department, and are difficult to quantify separately.

We note that in recent years Mainland enterprises set up by Hong Kong enterprises in the Pearl River Delta have undergone restructuring, and the trade has asked for relaxing the restriction in section 39E of the Inland Revenue Ordinance (IRO). We understand that in November 2010, the Financial Services and the Treasury Bureau completed a review on whether the restriction in section 39E of the IRO should be relaxed. In light of Hong Kong's established taxation principles of "territorial source" and "tax symmetry" as well as the issues relating to transfer pricing, the review concluded that it was not justifiable to relax the restriction in section 39E of the IRO.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)292

(Question Serial No. 2792)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (2) Trade Support and Facilitation
Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2015-16, the Trade and Industry Department will keep in view the powdered formula export licensing arrangement and make adjustment as appropriate having regard to the outcome of reviews by the Food and Health Bureau on the supply situation of powdered formula in Hong Kong. Would the Government please advise on the details of the relevant work in the coming year, the expenditure involved, manpower deployment, the effectiveness so far since its implementation, whether the original goal has been achieved in combatting the acute shortage problem caused by parallel traders diverting large quantities of powdered formula out of Hong Kong and areas that need review and rationalisation?

Asked by: Hon LAM Tai-fai (Member Question No. 57)

Reply:

All importers of powdered formula must register with the Food and Environmental Hygiene Department in accordance with the Food Safety Ordinance (Cap. 612). The Trade and Industry Department (TID) would, in general, only issue export licences to importers of powdered formula who have registered under the above ordinance or importers exempted from registration under the above ordinance. At the time of application, the applicant of the export licence is required to produce the import invoice to prove that the powdered formula intended to be exported has been imported directly from other places. The relevant expenditure has been subsumed within the provision for TID which is difficult to quantify separately.

The Food and Health Bureau (FHB) stated that, since the implementation of the Import and Export (General) Amendment Regulation 2013 (“the Amendment Regulation”), parallel trading activities in relation to powdered formula have dropped substantially. The supply of powdered formula at retail outlets is rather stable despite there is still shortage of some popular brands of powdered formula during certain periods of time.

The supply chain failure in relation to powdered formula in Hong Kong has a major bearing on the serious shortage of powdered formula. FHB will continue to follow up on and monitor the work of improving the supply chain by suppliers through the Committee on Supply Chain of Powdered Formula (“the Committee”) (Note 1). FHB will listen to the views of both the Committee and the relevant Panel of the Legislative Council and take into account the progress on the improvements of powdered formula supply chain, before deciding on the Government’s position in respect of the Amendment Regulation. The relevant work will be dealt with by existing manpower and resources of FHB, and the manpower requirement involved cannot be accounted for separately.

To follow up on and monitor the work of improving the supply chain by suppliers, FHB has commissioned a consultancy firm in 2014-15 to conduct two surveys on a regular basis, namely-

- survey on supply and prices of powdered formula at retail level; and
- survey on the experience of local consumers in purchasing powdered formula and their intention on using the pre-order services.

The latest results of the above-mentioned surveys revealed that the shortage situation of powdered formula supply has improved although there is still a certain degree of shortage of particular brands at the retail level and the incidences of out-of-stock in particular districts are also relatively higher. FHB has urged the relevant suppliers to actively follow up on the findings of the surveys to ensure stable and sufficient supply of powdered formula for local infants and young children.

Note 1: In July 2013, the Government appointed a Committee on Supply Chain of Powdered Formula to study and recommend to the Government measures to improve the supply chain of powdered formula. The Committee comprises 14 non-official members, including major powdered formula suppliers, retailers, parents, representatives from the logistics sector, relevant academia and those representing consumer interests.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)293

(Question Serial No. 2155)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (1) Commercial Relations

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The provision for Programme (1) Commercial Relations in 2015-16 is \$113.9 million. In this year, how will the Government:

- (1) maintain and strengthen Hong Kong's commercial relations with its trading partners; and
- (2) facilitate the trade in adjusting to changes in the Mainland and the global economic environment?

Asked by: Hon LEUNG Kwan-yuen, Andrew (Member Question No. 20)

Reply:

The Trade and Industry Department (TID) has been endeavouring to maintain and strengthen Hong Kong's commercial relations with its trading partners, as well as facilitate the trade in adjusting to changes in the economic environment of the Mainland and the world.

In 2015-16, the relevant work carried out by TID is as follows:

- (i) to maintain close dialogue with the trade through various channels, so as to understand their concerns and views. At the same time, we will relay the trade's views to relevant authorities and discuss with them support measures for the trade;
- (ii) to closely monitor changes in trade regulations of our trading partners and the trade remedy measures against Hong Kong-origin products; to promptly disseminate relevant information and provide advice to local traders and manufacturers through trade circulars, and to lodge timely defences against any unfair or unfounded allegations and measures;

- (iii) to promote trade and investment cooperation with other economies, including pursuing free trade agreements and investment promotion and protection agreements;
- (iv) to strengthen liaison with emerging markets, as well as encourage and support the trade to tap into these markets; and
- (v) to participate in regional economic cooperation fora, in particular the work of the Asia-Pacific Economic Cooperation and Pacific Economic Cooperation Council; to discuss with other members the challenges brought about by the changes in the regional and global economic environment and the ways to address them; and to promote regional economic growth and integration and improve the business environment in the region.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)294

(Question Serial No. 2202)

Head: (181) Trade and Industry Department

Subhead (No. & title): (000) Operational expenses

Programme: (1) Commercial Relations

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please list out respectively the estimated establishment, annual emolument, housing allowance and allowances on duty visits and entertainment etc. of the following posts of the Trade and Industry Department posts in 2015-16:

- Director-General
- Deputy Director-General
- Assistant Director-General
- Senior Personal Secretary
- Personal Secretary I
- Personal Secretary II
- Senior Information Officer
- Information Officer
- Departmental Secretary
- Deputy Departmental Secretary
- Senior Information Technology Officer
- Principal Trade Officer
- Trade Officer
- Assistant Trade Officer
- Trade Controls Officer
- Information Technology Officer
- Senior Clerical Officer
- Manager
- Clerical Officer
- Senior Accounting Officer
- Accounting Officer
- Senior Systems Manager
- Principal Technical Officer

- Senior Technical Officer
- Assistant Accounting Manager
- Systems Manager
- Analyst I
- Project Manager
- Principal Executive Officer
- Senior Executive Officer
- Executive Officer

Asked by: Hon LEUNG Kwok-hung (Member Question No. 615)

Reply:

The estimated civil service establishment and emolument of the Trade and Industry Department (TID) in 2015-16 are as follows:

Grade	Number of posts	Estimated salary in notional annual mid-point salary value (NAMS) (\$'000)
Administrative Officer (directorate)	10	19,826
Administrative Officer (non-directorate)	1	1,223
Analyst/Programmer	12	7,751
Clerical Assistant	52	9,450
Clerical Officer	164	47,258
Computer Operator	10	3,369
Confidential Assistant	3	836
Data Processor	3	581
Executive Officer (directorate)	1	1,553
Executive Officer (non-directorate)	15	10,528
Inspector (Telecommunications) / Controller (Telecommunications)	6	3,311
Motor Driver	2	387
Office Assistant	9	1,442
Official Languages Officer	3	1,475
Personal Secretary	19	5,952
Photographer	2	363
Property Attendant	2	313
Statistical Officer	2	725
Statistician	1	819
Supervisor of Typing Services	1	412
Supplies Assistant	1	182
Supplies Attendant	1	156
Supplies Officer	1	622
Supplies Supervisor	3	839

Grade	Number of posts	Estimated salary in notional annual mid-point salary value (NAMS) (\$'000)
Telecommunications Engineer	1	674
Trade Controls Officer	3	1,483
Trade Officer	152	118,578
Treasury Accountant	3	2,936
Typist	9	1,636
Workman I	2	313
Workman II	4	578
Grand total :	498	245,571

The housing allowances of the above civil service grades are paid in accordance with the relevant terms of appointment of the officers, as well as the relevant regulations and guidelines. The expenditure is not charged to Head 181.

Officers in TID will conduct duty visits and host entertainment based on operational needs, such as attending meetings of the Asia-Pacific Economic Cooperation, discussing economic and trade arrangements with trading partners, enhancing economic and trade cooperation with different places, discussing with the Mainland on matters relating to the Mainland and Hong Kong Closer Economic Partnership Arrangement, and liaising with the local business communities etc. The estimated expenditure of duty visits and entertainment in 2015-16 is about \$8.3 million and \$0.3 million respectively. Expenditure of all duty visits and entertainment have to comply with the relevant regulations and administrative guidelines to ensure effective monitoring and prudent use of public funds.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)295

(Question Serial No. 3132)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the SME Export Marketing Fund (EMF):

- a) What are the respective number of applications received, number of applications approved and the average amount of grant for each approved project for the past five years?
- b) For the past five years, how much did the Trade and Industry Department (TID) spend on the promotion and effectiveness review of the EMF? In 2015-16, what are the promotion plan and estimated expenditure breakdowns for the EMF?

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 47)

Reply:

The number of applications received, the number of applications approved and the average amount of grant for applications approved under the SME Export Marketing Fund (EMF) in the past five years are as follows:

Financial Year	Number of Applications Received	Number of Applications Approved	Average Amount of Grant for Applications Approved
2010 - 11	26 157	23 757	\$13,458
2011 - 12	21 241	19 191	\$14,441
2012 - 13	18 192	16 461	\$15,112
2013 - 14	19 040	15 891	\$16,017
2014 - 15*	15 661	11 582	\$16,151

*As at the end of February 2015

The Trade and Industry Department (TID) closely monitors the changes in the market as well as the needs of the SMEs and reviews from time to time the operation of the EMF to ensure that appropriate and timely support is provided to the SMEs. In the past five years, representatives of TID attended a number of seminars organised by SME organisations and trade associations to promote the EMF to SMEs. The department also promoted the EMF to SMEs through different channels, such as TV and radio Announcements of Public Interest, exhibitions, promotional leaflets, website, etc. In the coming year, we will continue to make use of the above channels to promote the EMF to more SMEs. The manpower and expenditure on promoting the EMF have been subsumed under the establishment and provision of TID, and are difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)296

(Question Serial No. 3133)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget that the Government will continue to assist Hong Kong enterprises in upgrading and restructuring their operations, developing brands and promoting sales in the Mainland domestic market through the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) so as to enhance their competitiveness in the Mainland market. Would the Government please advise on the number of applications that the Fund has received and the number of successful applications so far? What are the amounts of grant approved? Has the Government followed up those approved applications and assessed their effectiveness so as to continuously enhance the usage of the Fund. If yes, what are the details and the expenditures spent on such assessment in the past 3 years? If not, what are the reasons?

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No. 48)

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012. The vetting results as at the end of December 2014 are as follows -

	Enterprise Support Programme	Organisation Support Programme
Applications processed (excluding all applications withdrawn)	890	103

	Enterprise Support Programme	Organisation Support Programme
Number of applications approved	267 (Excluding 19 applications that were granted conditional approval. The final approval of such applications and the amount of grants will be subject to further information submitted by the applicants.)	44
Total approved funding	Around \$119 million	Around \$143 million
Success rate	32.1% (including applications approved and applications granted conditional approval)	42.7%
Highest amount of funding	\$500,000	\$5 million
Lowest amount of funding	\$15,000	\$720,720
Average amount of funding	Around \$450,000	Around \$3.3 million
Number of applications rejected	604	59
Number of completed projects	24	9

Most of the projects are still in progress. We will continue to closely monitor the operation of the BUD Fund and assess its effectiveness in due course. The relevant expenditure has been subsumed within the provision for this Department, which is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)297

(Question Serial No. 3755)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2015-16, the Trade and Industry Department plans to keep in view the powdered formula export licensing arrangement and make adjustment as appropriate having regard to the outcome of reviews by the Food and Health Bureau on the supply situation of powdered formula in Hong Kong. In this regard, would the Government please advise this Committee:

- (1) the number of applications for powdered formula export licences and the product quantity involved in the past year;
- (2) the comparison between the above and the past figures;
- (3) whether there are additional resources (including manpower) allocated to handle the relevant work? If yes, what are the details and estimated expenditure?

Asked by: Hon TIEN Pei-chun, James (Member Question No. 57)

Reply:

The number of powdered formula export licences issued by the Trade and Industry Department (TID) and the quantity of powdered formula involved in the past two years are as follows:

	Number of Licences Issued	Quantity of Powdered Formula Involved
2013 (Since 1 March when the licensing requirement came into force until 31 December)	8 119	9.36 million kg
2014	13 673	13.80 million kg

In 2015-16, TID does not require additional resources to handle the relevant work.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)298

(Question Serial No. 3756)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2015-16, the Trade and Industry Department (TID) will administer various SME Funding Schemes. In this regard, would the Government please advise this Committee on the utilisation rate, default rate, amount of default claims and resources available in respect of these funding schemes in the past year?

Asked by: Hon TIEN Pei-chun, James (Member Question No. 58)

Reply:

In 2015-16, the Trade and Industry Department (TID) will continue to assist enterprises in obtaining finance, exploring export markets and enhancing the overall competitiveness through the three existing SME funding schemes, namely the SME Loan Guarantee Scheme (SGS), the SME Export Marketing Fund (EMF) and the SME Development Fund (SDF).

From April 2014 to the end of February 2015, 951 applications involving a total guarantee amount of about \$1.1 billion were approved under SGS. The approved total loan guarantee commitment of SGS is \$30 billion. As at the end of February 2015, the cumulative loan guarantee amount approved under SGS was about \$21.8 billion, representing about 73% of the total commitment, and the remaining commitment available for use is about \$8.2 billion. The cumulative amount of net default claims of SGS is about \$426 million, and the default rate is about 1.95%.

From April 2014 to the end of February 2015, 11 582 and 14 applications were approved under EMF and SDF, involving grants of about \$190 million and \$15 million respectively. The combined approved commitment of the two Funds is \$3.75 billion. As at the end of February 2015, the cumulative total grant amount approved under EMF and SDF was about \$3.34 billion, representing about 89%¹ of the total approved commitment, and the remaining

amount available for use is about \$410 million. The 2015-16 Budget proposed to inject \$1.5 billion into the two Funds and implement improvement measures to enhance their support to SMEs. On SDF, we propose to increase the maximum amount of funding support for each project from \$2 million to \$5 million. On EMF, we propose to expand the scope of funding to cover more types of export promotion activities. We will consult the Small and Medium Enterprises Committee and the Legislative Council Panel on Commerce and Industry on the proposals, before seeking funding approval from the Finance Committee.

¹ In calculating the utilisation rate of the commitment, apart from the EMF and the SDF, the amount of grants approved under the previous SME Training Fund (i.e. \$260 million), which ceased to receive applications since 1 July 2005, has also been included.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)299

(Question Serial No. 2571)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Trade and Industry Department (TID) issued over 400 000 strategic commodities licences each year in the past 3 years. Please list out the types of goods, quantity, amount and countries of destination covered by the licences issued. How many goods were transshipped through Hong Kong? What are the types of goods, quantity and amount involved, and from/to which countries were the goods transported to and transported out of Hong Kong respectively?

Asked by: Hon TONG Ka-wah, Ronny (Member Question No. 20)

Reply:

Under the Import and Export (Strategic Commodities) Regulations, strategic commodities which are required to obtain licences issued by the Trade and Industry Department (TID) for import into or export from Hong Kong include munitions (such as firearms, ammunition, explosives etc.) and dual-use goods (i.e. industrial goods capable of being used for military purpose) such as certain chemicals, telecommunications and information security products etc..

In the past three years (2012, 2013 and 2014), TID issued over 400 000 strategic commodities licences each year. Over 95% of the goods covered by the licences were electronics, telecommunications and information security products, which are all common dual-use goods. Most of the dual-use goods imported to or exported from Hong Kong are transshipments and the major places of import/export of such commodities include the Mainland China, the US, Singapore and Taiwan etc..

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)300

(Question Serial No. 2595)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Trade and Industry Department implements a powdered formula export licensing arrangement to ensure sufficient supply of powdered formula for infants and young children in Hong Kong.

Please advise on:

1. the number of applications for export licence, the number of licences approved and the number of applications rejected each year respectively since the implementation of such arrangement.
2. the reasons for rejecting the applications. Please list the reasons and number.

Asked by: Hon TONG Ka-wah, Ronny (Member Question No. 49)

Reply:

All importers of powdered formula must register with the Food and Environmental Hygiene Department in accordance with the Food Safety Ordinance (Cap. 612). The Trade and Industry Department (TID) would, in general, only issue export licences to importers of powdered formula who have registered under the above ordinance or importers exempted from registration under the above ordinance. At the time of application, the applicant of the export licence is required to produce the import invoice to prove that the powdered formula intended to be exported has been imported directly from other places.

Since the implementation of the powdered formula export licensing arrangement on 1 March 2013 until 31 December in the same year, TID issued 8 119 powdered formula export licences. In the same period, a total of 4 applications were rejected due to incomplete supporting documents. In 2014, TID issued 13 673 export licences. No application was rejected that year.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)301

(Question Serial No. 1251)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since the Government is to support small and medium enterprises (SMEs), financial resources and manpower must have been allocated to understand the situation of SMEs in Hong Kong. In this regard, please list out, over the past 3 years, the number of SMEs established in Hong Kong; the number of SMEs that have ceased operation; the average operation period of SMEs that have ceased operation; the number of SMEs listed on the stock exchange and the financial resources allocated by the Government to understand such situations.

Asked by: Hon WONG Ting-kwong (Member Question No. 36)

Reply:

According to the data from the Census and Statistics Department, the number of small and medium enterprises (SMEs) over the past three years are listed below. These include SMEs of different operation modes (such as incorporations, partnerships and sole-proprietorships) having substantive business operation and employing staff in Hong Kong. We do not have statistics on the number of SMEs established, the number of SMEs that have ceased operation and their average operation period, as well as the number of SMEs listed on the stock exchange.

Year	Number of SMEs
2014*	318 143
2013	314 282
2012	307 784

*Note: figure as at September 2014

The expenditure of the relevant work has been subsumed within the provision for the relevant bureau/department, and is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)302

(Question Serial No. 1255)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

At present, some Hong Kong manufacturers who have moved to the Mainland to carry on business in early years intend to relocate back to Hong Kong for business. What is the number of enquiries, requests for assistance and complaints received by the Government from such manufacturers in the past 3 years? What are the financial resources and manpower spent by the Government on these cases?

Asked by: Hon WONG Ting-kwong (Member Question No. 40)

Reply:

In the past 3 years, the Trade and Industry Department has not received any enquiry, request for assistance or complaint from Hong Kong manufacturers who have moved to the Mainland to carry on business in early years and intended to relocate back to Hong Kong for business.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)303

(Question Serial No. 1351)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise on the application figures, including the number of applications and the funding amount involved, in respect of the tourism-related enterprises under the SME Financing Guarantee Scheme, SME Development Fund and SME Export Marketing Fund for the past three financial years (i.e. 2012/2013, 2013/2014 and 2014/2015).

Asked by: Hon YIU Si-wing (Member Question No. 25)

Reply:

The Trade and Industry Department administers three SME Funding Schemes, namely the SME Loan Guarantee Scheme, the SME Export Marketing Fund and the SME Development Fund. The application figures in respect of the tourism-related enterprises (including those from the tourism, restaurant and hotel industries) under these schemes for the past three financial years are as follows:

SME Loan Guarantee Scheme

	2012-13	2013-14	2014-15 ^{Note2}
Number of Applications Received ^{Note1}	36	25	33
Number of Applications Approved	31	22	29
Total Amount of Loans Approved (\$million)	72.0	50.0	51.3
Total Amount of Loan Guarantees Approved (\$million)	36.2	24.8	26.2

SME Development Fund ^{Note3}

	2012-13	2013-14	2014-15 ^{Note2}
Number of Applications Received ^{Note1}	5	1	2
Number of Applications Approved	2	2	1
Total Amount of Grants Approved (\$million)	3.41	1.30	1.15

SME Export Marketing Fund

	2012-13	2013-14	2014-15 ^{Note2}
Number of Applications Received ^{Note1}	32	42	27
Number of Applications Approved	32	42	26
Total Amount of Grants Approved (\$)	482,913	674,895	351,935

As for the special concessionary measures launched by the Hong Kong Mortgage Corporation Limited (HKMC) under its SME Financing Guarantee Scheme, the relevant figures in respect of the tourism-related enterprises (including those from the tourism, catering services, and hotel and hospitality services industries) for the past three financial years are as follows ^{Note4} :

	2012-13 ^{Note5}	2013-14	2014-15 ^{Note2}
Number of Applications Approved	108	36	34
Total Amount of Loans Approved (\$million)	385.05	124.13	81.46
Total Amount of Loan Guarantees Approved (\$million)	308.04	99.31	65.17

Note 1: As the submission and approval of applications may cross two financial years, the number of applications approved in one financial year may not correspond to the number of applications received in the same financial year.

Note 2: As at end of February 2015.

Note 3: Applicants of the SME Development Fund are non-profit-distributing organisations such as chambers of commerce and trade and industrial organisations.

Note 4: The HKMC has not compiled statistics on the number of applications received by trade.

Note 5: The special concessionary measures were launched on 31 May 2012.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1352)

Head: (181) Trade and Industry Department

Subhead (No. & title): (-) -

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The International Travel Expo Hong Kong (ITE Hong Kong) has been the only exhibition of its kind in Hong Kong for 28 years, drawing an increasing number of overseas buyers/patrons every year. It is an ideal platform for local travel agencies to expand their businesses overseas and establish cooperative partnerships with one another.

In the past, small and medium travel agencies participating in the ITE Hong Kong were eligible for SME Export Marketing Fund (EMF). However, the Government revised the funding scope of EMF in 2013 to exclude events which allow public admission exceeding one-third of their duration. Since ITE Hong Kong is a 4-day event with 2 days to traders and 2 days to the public, travel agencies participating in such event are no longer eligible to apply for EMF under the new requirement.

Please advise on the justifications for the above revision, the estimated number of applications and the amount of grant involved. Will the Government consider relaxing the requirement to help SMEs in need?

Asked by: Hon YIU Si-wing (Member Question No. 26)

Reply:

The SME Export Marketing Fund (EMF) administered by the Trade and Industry Department (TID) was launched in 2001, aiming at helping small and medium enterprises (SMEs) expand their export businesses through participation in export promotion activities. In accordance with the policy objective of the EMF, the established rule has been that local exhibitions are within the scope of the EMF only if they are "export-oriented". In 2011, TID conducted a review on the criteria for fulfilling the "export-oriented" requirement for local exhibitions and established a set of objective criteria, which clearly stipulate that local exhibitions should mainly target at overseas/local traders; and if public admission to an exhibition is allowed, it should be restricted to the last day of the exhibition, and the total

period open to the public should not exceed one-third of the duration of the exhibition. The criteria are set out in the Guide to Application and applicable to local exhibitions held on or after 1 January 2012.

The “International Travel Expo Hong Kong” is a 4-day event. The first 2 days are open to traders whereas the remaining 2 days to the public. It therefore does not meet the above criteria.

From 2012 to 2014, over 46 000 applications were approved under the EMF. 36% of the applications supported enterprises to participate in local exhibitions, which is similar to the percentage in 2011 (prior to the implementation of the above criteria). TID has no plan to adjust the above criteria for the time being. We will continue to closely monitor changes in the market as well as the needs of SMEs and make timely improvements to the operation of the EMF.

- End -