

Special FC Meeting on 6 April 2016
Speaking Notes for SCED

Foreword

- Chairman, I would like to set out the key matters within the policy areas of commerce, industry and tourism as mentioned in the Budget.

Tourism

- The Budget this year has devoted a substantial part to tourism. The Government's policy objective for tourism is to achieve a balanced, healthy and long-term development of the tourism industry, and move towards diversified and high value-added services.
- The Budget has announced a series of measures of about \$240 million, covering the following areas.
- First, to reinvent Hong Kong's tourism image. We will allocate additional funding to the Hong Kong Tourism Board (HKTb) for producing new promotional videos. The HKTb will also step up

publicity for quality and honest tours in the Mainland.

- Second, to expand the scale of major events and step up publicity, so as to draw more high-spending overnight visitors to Hong Kong. We will allocate additional funding to the HKTB for key initiatives including: expanding the venue for the “Hong Kong Wine and Dine Festival” in end-October with more featured themes; launching distinctive promotion for the Hong Kong Sevens in April; staging enhanced publicity for the FIA Formula E Championship to be held in Hong Kong in October for the first time, the Hong Kong Tennis Open, the golf tournament Hong Kong Open, etc.; and in autumn extending the race of the Hong Kong Cyclothon to 50 kilometres.
- Third, to strengthen support for the various sectors in fostering tourism development, including launching a “fly-cruise” initiative to widen cruise visitor source markets; continuing the implementation of the matching fund for tourist attractions; waiving the licence fees for 1 800 local travel agents for one year; supporting small and medium-sized travel agents in making use of information technology; and waiving local traders’ participation

fees for the HKTB's overseas promotion fairs. The HKTB will also step up promotion of shopping and spending during peak seasons such as summer holidays and the New Year.

- Fourth, to continue promoting Hong Kong's natural scenery as well as our unique history and culture. We will revitalise the Dr Sun Yat-sen Historical Trail and introduce mobile application to make the trail more interesting. The historical trail, in tune with other attractions such as the PMQ and the former Central Police Station Compound to be open this year, will transform the Central and Western District into an "art-across-time" community.
- In the long run, the Government will continue to upgrade tourism infrastructure. From this year onwards until 2018, new attractions and hotels will be launched in the two theme parks.

Support for Small and Medium Enterprises (SMEs)

- To help SMEs tide over their liquidity needs, we have extended the application period of the time-limited special concessionary measures launched by the Hong Kong Mortgage Corporation Limited under its SME Financing Guarantee Scheme to the end of

February 2017. We will also reduce the annual guarantee fee rate by ten per cent and remove the minimum guarantee fee for the measures.

Strengthening Hong Kong's Ties with Overseas Countries

- At present, Hong Kong has 11 overseas Economic and Trade Offices (ETOs).
- In the light of the shift of the global economic development towards Asia and to tap the Asian markets, we plan to set up a new ETO in Jakarta this year in order to strengthen Hong Kong's ties with Indonesia and other ASEAN countries. We also plan to set up another ETO in Seoul to enhance our trade and cultural exchanges with Korea.

CEPA

- The Agreement on Trade in Services was signed under the framework of CEPA between the Hong Kong Special Administrative Region Government and the Ministry of Commerce in November last year to basically achieve

liberalisation of trade in services between the Mainland and Hong Kong.

FTA

- The FTA negotiation between Hong Kong and the ten member states of ASEAN is progressing smoothly. We target to conclude the negotiation within this year.
- We have also launched the discussion on closer economic partnership arrangement with Macao since November last year and are exploring the possibility of joining the Mainland's FTAs with its trading partners.

Trade Single Window

- To facilitate trade declaration and clearance, the Government will establish a Trade Single Window to provide a single platform for the one-stop lodging of all documents from the trade to the Government in relation to importing and exporting goods.

Intellectual Property

- On the front of intellectual property (IP), the Government is working to implement an “original grant” patent (OGP) system. A Bills Committee is scrutinising the Patents (Amendment) Bill 2015, and we are facilitating its early passage. We aim at launching the OGP system in 2017 at the earliest.
- We shall also expand the scope of tax deduction for capital expenditure incurred for the purchase of IP rights from the existing five categories to eight to encourage enterprises to engage in the development of related business.

Conclusion

- Chairman, my colleagues and I would be pleased to answer questions from Members.