

立法會
Legislative Council

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**Report of the Panel on Commerce and Industry
for submission to the Legislative Council**

Purpose

This report gives an account of the work of the Panel on Commerce and Industry ("the Panel") during the 2017-2018 session of the Legislative Council ("LegCo"). It will be tabled at the Council meeting of 11 July 2018 in accordance with Rule 77(14) of the Rules of Procedure.

The Panel

2. The Panel was formed by a resolution passed by the Council on 8 July 1998 and as amended on 20 December 2000, 9 October 2002, 11 July 2007 and 2 July 2008 for the purpose of monitoring and examining Government policies and issues of public concern relating to commerce and industry. The terms of reference of the Panel are in **Appendix I**.

3. The Panel comprises 20 members, with Hon WU Chi-wai and Hon SHIU Ka-fai elected as Chairman and Deputy Chairman respectively. The membership list of the Panel is in **Appendix II**.

Major work

Innovation and Technology

4. The development of innovation and technology ("I&T") is among the top policy priorities of the current-term Government. The Chief Executive in the Policy Address delivered in October 2017 announced that the Government would step up its efforts to develop I&T in eight major

areas.¹ Subsequently, the Financial Secretary announced in the 2018-2019 Budget that the Government set aside \$50.3 billion to implement new I&T initiatives to spearhead I&T development in Hong Kong. As one of the major areas of concern, the Panel had discussions with the Administration on various funding proposals and new initiatives during the session.

Injection into the Innovation and Technology Fund

5. The Panel was briefed on the latest progress of the funding schemes under the Innovation and Technology Fund ("ITF") and supported the Administration's funding proposal to inject \$10 billion into ITF to support the continued operation of the existing funding schemes and various new initiatives, including, inter alia, the Technology Talent Scheme ("TTS"), which comprises the Postdoctoral Hub programme ("PHP") and Reindustrialisation and Technology Training Programme ("RTTP").

6. Members sought clarification on whether segregated funding quotas would be set for PHP and RTTP so as to avoid competition for funding between the two programmes. The Administration advised that no funding quota would be set for PHP and RTTP to allow flexibility since it was the Administration's intention to support the recruitment and retention of as many postdoctoral talents as possible to undertake research and development ("R&D") work in Hong Kong.

7. Members also raised concern on the operation of some existing funding schemes such as the Technology Voucher Programme ("TVP") and the Internship Programme.

8. Some members noted that only 241 projects had been approved under TVP as of December 2017. They urged the Administration to collaborate with different industry organizations to implement pilot schemes to boost the level of success of TVP, and suggested that the scope of TVP be enlarged to cover funding support for small and medium enterprises' ("SMEs") expenses in providing training to staff in learning to use information technology software and hardware systems.

¹ The eight major areas are: (a) to increase resources for research and development; (b) to pool together technology talent; (c) to provide investment funding; (d) to provide technological research infrastructure; (e) to review existing legislation and regulations to remove outdated provisions that impede the development of innovation and technology; (f) to open up government data; (g) to lead changes to procurement arrangements; and (h) to strengthen popular science education.

9. The Administration advised that it had relaxed the eligibility criteria for TVP in February 2018. All local non-listed enterprises were now eligible to apply for funding of TVP. The restriction on the number of employees employed by the applicant enterprise would be removed to allow enterprises with more employees to apply for TVP funding. The Administration had been actively engaging with industry organizations to brief them on the latest progress of TVP, and was planning to promote the programme through electronic media. Moreover, TVP would cover training costs which were directly related to the technology solutions.

10. Noting that some 70% of the 3 000 interns supported under the Internship Programme indicated to pursue a career in I&T-related areas, members enquired whether the Administration had carried out any follow-up survey of the interns' career path to understand if they had eventually pursued an I&T-related career. The Administration advised that interns would be surveyed on their career plans at the end of internship. The Administration would consider the feasibility of undertaking follow-up surveys by cost-effective means.

11. In the course of discussion, members also urged the Administration to improve the application and vetting procedures for the various funding programmes under ITF, including setting up a centralized frontline office to promote the funding programmes and providing one-stop services to assist SMEs in submitting applications. Members also suggested setting key performance indicators ("KPIs") to evaluate the effectiveness of each funding programme under ITF. The Administration was also urged to further encourage investment in R&D, including: (i) setting a target on R&D investment as a percentage of Gross Domestic Product ("GDP"); (ii) attracting multinational corporations to set up their R&D centres in Hong Kong; and (iii) retaining local R&D deliverables in Hong Kong's industry chain, by drawing reference from the successful experience of Israel and Singapore, which had high levels of R&D investment as a percentage of GDP.

Provision of additional resources for the Hong Kong Science and Technology Parks Corporation and establishment of two research clusters

12. The Panel supported the Administration's proposals to establish two research clusters at the Hong Kong Science Park ("HKSP") and to provide \$10 billion to the Hong Kong Science and Technology Parks Corporation ("HKSTPC") for supporting healthcare and artificial intelligence ("AI") and robotics technologies researches, and for strengthening the provision of support programmes to assist tenants/incubatees to thrive. The Panel also supported the proposed

creation of a permanent directorate post in the Innovation and Technology Commission ("ITC") to implement various new I&T initiatives.

13. Members were concerned about the operation of the Governing Committee proposed to be set up to oversee the operation of the two research clusters at HKSP. The Administration advised that the Governing Committee would be responsible for approving the admission of institutions and managing the two research clusters. Several functional committees would be set up under the Governing Committee serving different purposes, including: (a) a technology committee or science committee to be set up to oversee the direction, performance and R&D outcomes from the research centres/laboratories in the research clusters; (b) an audit committee to be set up to oversee the management of funds of the research clusters; and (c) a facility committee to be set up to oversee the provision and adequacy of facilities in the research clusters.

14. On the duties and responsibilities of the proposed directorate post in ITC, and the roles of HKSP and the proposed directorate post in implementing the Central People's Government's mission for Hong Kong to become a global innovation hub, the Panel noted that the directorate post would be responsible for devising strategic plans for the establishment and managing the two research clusters, and overseeing the development of physical technological infrastructure, in addition to other duties. Leveraging the proposed R&D clusters' strength in research capability and international credibility, HKSP and the future incumbent of the proposed directorate post would endeavour to expand the scale of the two research clusters and explore the possibility of establishing more clusters in future.

15. Members urged the Administration to take a proactive approach in inviting Hong Kong graduates who had chosen to pursue abroad a career in R&D, especially in healthcare or AI/robotics technologies, to return to Hong Kong for career development and contribute to the R&D development in Hong Kong. Members also urged the Administration to implement measures to encourage local students to pursue Science, Technology, Engineering and Mathematics ("STEM") education, and to retain local doctoral and postdoctoral R&D graduates to work in Hong Kong.

Innovation and Technology Venture Fund

16. The Panel discussed the progress of the Innovation and Technology Venture Fund ("ITVF"), and noted that 14 co-investment partners ("CP") applications had been received by the application deadline in January 2018. The selection result would be announced in the second

quarter of 2018, and CP's investment in local I&T start-ups would probably commence in the second half of the year.

17. In response to members' enquiry on whether the \$2 billion ITVF would be used up, and if not, whether more rounds of invitation for co-investment would be rolled out to fully utilize the ITVF funding, the Administration advised that the investment period for a typical venture capital ("VC") was 8 to 12 years, during which the VC would continue to invest in the investee company concerned and the Administration would co-invest with the VC on a matching basis at an overall investment ratio of approximately 1:2. All investment returns would be deposited into the dedicated bank accounts of the Innovation and Technology Venture Fund Corporation ("ITVFC") for the purpose of further investment. Depending on the amount of investment to be committed by each CP selected, the Administration would be able to assess when the \$2 billion would be fully committed. The Administration would consider a second round of invitation if there was remaining fund.

18. Members noted that CPs would be offered an option to purchase the ITVFC's shares in all of the investee companies within five years from the commencement date of the master agreement as the upside incentives, which were performance-based incentives contingent on the success of the investee companies. Members also noted that the five-year exit mechanism would provide an incentive for CPs to select I&T start-ups with good potentials and bring added value to the investee companies to foster their business development, while allowing the Administration to recoup its investment and profits generated to be used for other co-investments.

19. The Panel supported the Administration's proposal to put forward a legislative amendment to add a new category of "Specified Transaction" in Schedule 16 to the Inland Revenue Ordinance (Cap. 112) ("IRO") to cover transactions in relation to ITVF so that offshore VC funds co-investing with ITVF would be able to maintain their profits tax exemption status.

Technology Talent Admission Scheme

20. The Panel received a briefing on the introduction of the Technology Talent Admission Scheme ("TechTAS"). While supporting in principle the introduction of TechTAS, members considered that eligible applicants of the scheme should not be limited to tenants and incubatees of HKSTPC and Cyberport only, but should include other I&T enterprises in Hong Kong. Noting the quota of 1 000 persons in the pilot TechTAS, members considered that the Administration should not make the scheme only applicable to those who are engaged in the seven major areas (i.e.

biotechnology, AI, cybersecurity, robotics, data analytics, financial technologies and material science). Members also urged the Administration to set out strategies and timetable to achieve the objective of leveraging TechTAS to attract overseas/Mainland talents while creating more local technology-related employment opportunities, so that a brighter career path would be paved for local STEM graduates and a critical mass of I&T talents would be nurtured in Hong Kong.

21. The Administration advised that at present, around 1 200 companies/institutes under the management of HKSTPC and Cyberport were in need of technology talent. The pilot TechTAS would provide a fast-track arrangement to admit overseas and Mainland technology talent to work in Hong Kong. The Administration would review the coverage and scale of TechTAS in six to nine months to assess whether it should be extended to companies/institutes outside of HKSTPC and Cyberport, and whether it should be extended to new technology areas to meet changing industry needs.

22. Members urged the Administration to explain clearly the rationale for the introduction of TechTAS so as to address the concerns of labour unions about the competition for employment opportunities from overseas and Mainland technology talents. Noting that work experience would not be compulsory for those talents with a Master's or doctoral degree, members expressed concern about the relatively low admission threshold of the scheme. Members urged the Administration to strengthen the monitoring of TechTAS to avoid abuse of the scheme, and to consider raising the proposed threshold of not requiring work experience in the relevant technology area.

23. The Administration advised that the pilot TechTAS would not lead to uncontrolled admission of overseas/Mainland talents. Technology companies/institutes would need to prove that talent with the relevant skills, knowledge or experience was short in supply or not readily available in Hong Kong, and that the positions concerned could not be fully taken up by the local workforce. The employment requirement (i.e. for every three non-local persons admitted, the technology company/institute concerned would need to employ one new local full-time employee, plus two local interns) would provide more local job opportunities and help nurture local talents.

Enhanced tax deduction for research and development expenditure

24. The Panel supported the Administration's legislative proposal to amend IRO to provide companies with enhanced tax deduction for their

spending on qualifying R&D activities.

25. Under the legislative proposal, "qualifying expenditure" which would be eligible for enhanced tax deduction referred to the expenditure attributable to the "qualifying R&D" incurred on direct staff costs and consumables employed directly in the "qualifying R&D" concerned, whereas the R&D expenditure such as testing expenses and fees paid for expert advice, etc. would fall outside of the definition of "qualifying expenditure". The relevant R&D activities outsourced to "designated local research institutions" (i.e. outsourced qualifying R&D) would also be eligible for enhanced tax deduction. Members expressed concern that such outsourcing requirement would discourage local enterprises from undertaking R&D activities on their own to build up the scale of their business, and it would be difficult to ensure that the outsourced R&D activities would not contain any non-qualifying elements.

26. Members also pointed out that testing expenses and fees paid for expert advice were vital and should not be excluded from the proposed definition of "qualifying expenditure", as it would be difficult to encourage private R&D investment and achieve the policy objective of doubling the Gross Domestic Expenditure on R&D as a percentage of GDP to 1.5% by 2022.

27. The Administration advised that it would carefully examine applications for enhanced tax deduction and screen out any non-qualifying R&D, and would work out the operational details with the Inland Revenue Department ("IRD") in due course. The Administration also explained that testing was excluded as it could be carried out with existing testing systems, and might not have direct relevance to R&D which should involve the development of new technologies, materials or knowledge.

28. The Panel passed a motion urging the Government to implement measures to improve the proposal on the enhanced tax deduction for R&D expenditure, including simplifying the application procedures and further clarifying the requirements of "designated local research institutions" for "qualifying R&D" and extending the coverage to private enterprises with R&D abilities, so as to encourage more enterprises to conduct R&D activities. In response to the motion, the Administration advised that IRD would issue a Departmental Interpretation and Practice Note to assist the industry in understanding the relevant practices and documentation requirements. Enterprises might enjoy the enhanced tax deduction for R&D expenditure simply by submitting claims to IRD in their annual tax returns as usual.

Belt and Road Office

29. The Panel was briefed on the role and functions of the Belt and Road Office ("BRO"), and supported the Administration's staffing proposals to create the permanent posts of Commissioner for Belt and Road ("CBR") and Deputy Commissioner for Belt and Road, and a supernumerary post of Assistant Commissioner for Belt and Road for five years.²

30. Members were keen to ensure that there would be clear division of work between BRO and the Hong Kong Trade Development Council ("HKTDC"), the five Mainland Offices and the 12 overseas Economic and Trade Offices ("ETOs"). The Administration advised that HKTDC was an important strategic partner of BRO on Belt and Road collaborative efforts. BRO would explore with the relevant Mainland authorities for information on Belt and Road projects for referral to HKTDC, and would share experience of coordination and liaison with Mainland authorities and enterprises to HKTDC to act in synergy with its promotion work. While BRO was tasked to assist in the formulation of the policies and strategies relating to the Belt and Road Initiative, overseas ETOs and Mainland Offices would be responsible for rolling out corresponding measures in regions under their respective purviews.

31. Some members suggested that concrete KPIs in terms of, for example, the amount of foreign investment and collaboration projects to be facilitated, be set for the post of CBR so that the work performance of the post could be effectively evaluated. The Administration advised that instead of meeting quantitative performance indicators, BRO would focus on the promotion and coordination work to assist businesses from the Belt and Road countries to set foot in Hong Kong, as well as to enhance co-operation with Belt and Road countries at both government and industry levels.

32. Some members enquired how the Administration would assist Hong Kong's financial services sector to tap the Belt and Road markets in respect of participating in financing the infrastructural projects and providing risk management services. There was also a concern as to how the Administration would facilitate the legal profession to provide professional services, including arbitration and mediation, to the Belt and Road countries so as to reinforce Hong Kong's status as an international arbitration centre. Some members opined that the Administration should

² The relevant staffing proposal was approved by the Finance Committee on 27 April 2018.

take the lead to formulate a uniform commercial code for the Belt and Road countries with a view to harmonizing the laws of commercial transactions across all the Belt and Road jurisdictions.

33. The Administration advised that under the Arrangement between the National Development and Reform Commission and the Government of the Hong Kong Special Administrative Region ("HKSAR") for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative ("the Arrangement"), finance and investment would be the first and foremost key area for further development and a wide range of measures were covered. Enhancing dispute resolution services was one of the six key areas of the Arrangement, which sought to support Hong Kong in establishing itself as a centre for international legal and dispute resolution services in the Asia-Pacific region to provide relevant services in support of the Belt and Road Initiative by leveraging Hong Kong's strength in its robust legal system.

Free Trade Agreement between Hong Kong and the Association of Southeast Asian Nations

34. Hong Kong signed a Free Trade Agreement ("FTA") and a related Investment Agreement with the Association of Southeast Asian Nations ("ASEAN") in late 2017 ("the two Agreements"). The Panel was briefed on the significance of the two Agreements for Hong Kong's economic development and their main features.

35. Some members urged the Administration to forge a similar FTA with the European Union ("EU") and suggested that more ETOs or liaison units should be established in ASEAN Member States ("AMS") to demonstrate Hong Kong's commitment in forging business relations with these countries. The Administration advised that reduction/elimination of customs duties was one of the main reasons for forging FTAs with AMS and other countries worldwide, and would continue with its effort in this respect. Members noted that on top of the existing ETOs in Singapore and Jakarta, Hong Kong was liaising with Thailand with a view to establishing the third ETO in AMS. The current presence of Hong Kong in AMS was comparable with its presence in the EU and North America, which were served by three (excluding the Geneva ETO) and four ETOs respectively.

36. There was a view that the Administration should forge closer trade relations with AMS, in particular those currently having relatively alienated trade relations with Hong Kong, such as Indonesia and Myanmar, to strive for early relaxation of limitations on market access by those countries.

The Administration explained that due to the different stages of economic development of the 10 AMS, some of the countries might open up their markets at a slower pace to protect their local businesses. With the two Agreements between Hong Kong and ASEAN, Hong Kong enterprises' investment in these countries would be subject to local statutory protection as well as protection under the Investment Agreement.

37. Some members urged the Administration to put in place facilitation measures to assist various sectors of the professional services to go global by taking advantage of the business opportunities provided by FTA, in particular the measures to promote Hong Kong as an international dispute resolution centre. The Administration advised that Hong Kong's professional services, including financial services, business services and legal services, were in great demand by AMS. The two Agreements would serve as a platform to develop and facilitate trade in services for the service sectors concerned in Hong Kong with AMS. The Administration would strengthen its promotion work in economic and trade cooperation between Hong Kong and ASEAN, and would invite local professional organizations to join its future business and trade missions to AMS.

Overseas Hong Kong Economic and Trade Offices

38. The Panel received a briefing on the work of the 12 overseas ETOs and the Offices of the HKSAR Government in the Mainland and Taiwan. The Panel noted that in order to raise Hong Kong's international profile and build closer economic relationship with trading partners, the Administration would continue to discuss with the respective host governments the plan to establish new overseas ETOs in Thailand, South Korea, India, Russia and the United Arab Emirates.

39. Some members noted that it took a whole year of preparation for the Jakarta ETO to move into its long-term accommodation, and enquired whether the slow progress of work at the Jakarta ETO had affected the follow-up work arising from the signing of the two Agreements with ASEAN in November 2017. In view of the long lead time required for the preparation work relating to the establishment of a new ETO, these members further enquired how the future ETO in Thailand which was still under discussion with the Thai Government could leverage the opportunities arising from the signing of the FTA with ASEAN in a timely manner.

40. The Administration responded that although the long-term office for the Jakarta ETO was not available until May 2017, staff of ETO had all along been engaging in their regular work. Given its role in representing

HKSAR Government in handling all matters between Hong Kong and ASEAN, the Jakarta ETO had wasted no time in building up contacts with the ASEAN Secretariat and paying courtesy visits to all permanent missions of AMS.

41. Some members noted that the Israeli Government had been using the Export Request Management System to assess the performance of individual economic offices in terms of the volume of export matched. They suggested that HKSAR Government could make reference to Israel's experience and put in place a set of standardized KPIs in respect of each ETO to evaluate its work effectiveness.

42. Some members enquired about Taiwan's interest and possible involvement in the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Bay Area ("the Bay Area"), and the possibility of collaborating with Hong Kong in these areas. The Administration said that one of the main duties of the Hong Kong Economic, Trade and Culture Office (Taiwan) ("HKETCO") was to promote exchanges with Taiwan in trade and culture. It was understood that there was widespread interest in the Belt and Road Initiative and the development of the Bay Area among the enterprises in Taiwan. HKETCO would continue to keep close contact with these enterprises and provide support as appropriate.

43. Some members enquired about the progress of the strategic dialogue with the United Kingdom ("the UK") Government in preparation for Brexit, and enquired whether Hong Kong could initiate similar strategic dialogue with the United States ("the US") Government, and whether Hong Kong would explore the possibility of joining Trans-Pacific Partnership ("TPP").

44. The Administration said that Hong Kong's strategic dialogue with the UK Government would cover as many aspects as possible, and would adopt an open attitude towards the possibility of signing other regional or plurilateral trade agreements, including TPP or the Regional Comprehensive Economic Partnership, on the condition that they were consistent with World Trade Organization rules. The Washington ETO would keep a close watch on the trade policy of the new US Administration, and continue to monitor the US Administration's renewed negotiations on other international trade agreements.

The Dedicated Fund on Branding, Upgrading and Domestic Sales and enhancement of the various funding schemes

45. The Panel was briefed on the implementation progress of the funding schemes operated by the Trade and Industry Department ("TID") and the proposed enhancement measures, as well as the latest progress and the extension of the application period of Special Concessionary Measures under the SME Financing Guarantee Scheme operated by The Hong Kong Mortgage Corporation Limited. A total of 14 deputations/individuals had expressed views on the various funding schemes at the relevant meeting.

46. Members supported the Administration's funding proposals to inject \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales ("BUD Fund") and \$1 billion into the SME Export Marketing and Development Funds, which would be renamed as "Export Marketing and Trade and Industrial Organisation Support Fund", to implement the relevant enhancement measures and maintain the operation of the relevant funding schemes.³

47. The Panel also noted the initiatives taken by the Administration to simplify the application requirements and vetting mechanism of the funding schemes with a view to providing more flexible and convenient support to SMEs, in particular start-ups. Members called on the Administration to collaborate with industry organizations to promote the various funding schemes to SMEs. The Administration advised that TID had cooperated with trade and industrial organizations from time to time to promote the funding schemes. Apart from attending seminars organized by them, TID also made use of these organizations' networks to conduct more targeted promotion, such as providing links to the funding schemes on their websites, and publicizing promotion articles in their newsletters, etc.

48. Whilst expressing support for the Administration's proposed measures to enhance the funding schemes to help SMEs, some members were concerned that government officials were often over-rigid in the vetting and approving of funding applications under various funding schemes administered by different government bureaux/departments for fear of criticisms from the Audit Commission for mismanagement of public resources. There was also a view that apart from assisting SMEs in export promotion, the Administration should put more efforts and resources to help SMEs develop their brands locally so that they would have a solid

³ The relevant financial proposal was approved by the Finance Committee on 1 June 2018.

domestic foundation to buttress their branding effort overseas. Some members urged the Administration to proactively assist SMEs in developing overseas market. There was also a suggestion from the deputations that the geographical scope of BUD Fund be extended on a worldwide basis.

49. The Administration advised that the geographical coverage of the BUD Fund was proposed to be expanded from the Mainland to include the ten countries of ASEAN. The SME Export Marketing Fund already provided assistance to SMEs to expand any markets outside Hong Kong, and the Trade and Industrial Organisation Support Fund to be formed by the merging of the SME Development Fund and the BUD Organisation Support Programme could also support promotional activities targeting overseas markets.

50. Some members urged the Administration to follow up with the Hong Kong Monetary Authority ("HKMA") to address the difficulties faced by SMEs (particularly those SMEs with business operations in the Mainland and Belt and Road countries) in opening bank accounts, especially in major international banks. The Administration explained that HKMA had not imposed any requirements prohibiting banks from establishing business relationships with customers from or connected with the Mainland China or countries along the Belt and Road. HKMA had advised banks to apply the risk-based approach and carry out customer due diligence process which was proportionate to the level of money laundering and terrorist financing risk of a customer.

Other issues

51. During the session, the Panel also received briefings by the Administration on the following issues:

- (a) latest position of the testing and certification industry in Hong Kong;
- (b) proposed way forward for the Copyright Exceptions for People with a Print Disability under the "Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled";
- (c) progress of the development of Trade Single Window and launch of Phase 1;
- (d) preliminary idea on abolishing the "offsetting" arrangement

under the Mandatory Provident Fund System and the possible impact of the abolition on various industries; and

- (e) progress report on R&D Centres in 2017-2018.

The Panel was also consulted on the following legislative/funding/staffing proposals:

- (f) development of the InnoCell adjacent to HKSP;
- (g) development of Lok Ma Chau Loop – advance works and main works package 1;
- (h) legislative amendments to the Import and Export (Registration) Regulations (Cap. 60E) for setting a cap on import and export declarations charges;
- (i) legislative amendments to the United Nations Sanctions Ordinance (Cap. 537);
- (j) creation of directorate posts in the Single Window Project Management Office; and
- (k) legislative amendments to the Patents (General) Rules (Cap. 514C).

The Panel also discussed with the Administration the suggestions made in the report on the duty visit to Israel conducted by the delegation of the Panel in July 2017.

Meetings held

52. From October 2017 to June 2018, the Panel held a total of 11 meetings, including one joint meeting with three other Panels (details in paragraph 53) to discuss the joint-Panel duty visit to the Bay Area, and two meetings to receive views from the deputations on various subjects. The Panel has scheduled a meeting for July 2018 to discuss the latest development of HKSP and industrial estates, and the Administration's measures to support re-industrialization, and to receive views from the deputations on the subject. The Panel has also scheduled a joint meeting for July 2018 with the Panel on Economic Development and the Panel on Financial Affairs to discuss issues relating to the impact of trade conflict between China and the US on Hong Kong's economy.

Visit outside Hong Kong

53. The Panel conducted a joint-Panel duty visit to the Bay Area with the Panel on Economic Development, the Panel on Financial Affairs and Panel on Information Technology and Broadcasting in April 2018.

Council Business Division 1
Legislative Council Secretariat
3 July 2018

Panel on Commerce and Industry

Terms of Reference

1. To monitor and examine Government policies and issues of public concern relating to commerce, industry, business and services promotion, innovation and technology, intellectual property protection and inward investment promotion.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

Panel on Commerce and Industry

Membership list for 2017 - 2018 session*

Chairman	Hon WU Chi-wai, MH
Deputy Chairman	Hon SHIU Ka-fai
Members	Hon Jeffrey LAM Kin-fung, GBS, JP
	Hon WONG Ting-kwong, GBS, JP
	Hon Mrs Regina IP LAU Suk-ye, GBS, JP
	Hon YIU Si-wing, BBS
	Hon MA Fung-kwok, SBS, JP
	Hon Charles Peter MOK, JP
	Hon CHAN Chi-chuen
	Hon Dennis KWOK Wing-hang
	Hon Christopher CHEUNG Wah-fung, SBS, JP
	Hon Martin LIAO Cheung-kong, SBS, JP
	Dr Hon CHIANG Lai-wan, SBS, JP
	Ir Dr Hon LO Wai-kwok, SBS, MH, JP
	Hon CHUNG Kwok-pan
	Hon CHU Hoi-dick
	Hon Jimmy NG Wing-ka, JP
	Hon CHAN Chun-ying, JP
	Hon Tanya CHAN
	Hon LAU Kwok-fan, MH

(Total : 20 members)

Clerk Mr Desmond LAM

Legal Adviser Miss Rachel DAI

* Changes in membership are shown in Annex.

Annex to Appendix II

Panel on Commerce and Industry

Changes in membership

Member	Relevant date
Hon CHAN Kin-por, GBS, JP	Up to 23 October 2017
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP	Up to 23 October 2017
Hon Steven HO Chun-yin, BBS	Up to 23 October 2017
Hon Frankie YICK Chi-ming, SBS, JP	Up to 23 October 2017
Dr Hon Elizabeth QUAT, BBS, JP	Up to 23 October 2017
Hon Holden CHOW Ho-ding	Up to 23 October 2017
Hon YUNG Hoi-yan	Up to 23 October 2017