

立法會
Legislative Council

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Legislative Council
Panel on Economic Services

Minutes of meeting
held on Friday, 8 October 1999 at 9:35 am
in the Chamber of the Legislative Council Building

Briefing on the Chief Executive's Policy Address 1999

Members present : Hon James TIEN Pei-chun, JP (Chairman)
Hon Fred LI Wah-ming, JP (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon David CHU Yu-lin
Hon LEE Wing-tat
Dr Hon David LI Kwok-po, JP
Dr Hon LUI Ming-wah, JP
Hon CHEUNG Man-kwong
Hon Ambrose CHEUNG Wing-sum, JP
Hon HUI Cheung-ching
Hon CHAN Kam-lam
Hon SIN Chung-kai
Dr Hon Philip WONG Yu-hong
Hon WONG Yung-kan
Hon Howard YOUNG, JP
Hon Mrs Miriam LAU Kin-yee, JP
Hon FUNG Chi-kin

Member attending : Hon Ronald ARCULLI, JP

Members absent : Hon Eric LI Ka-cheung, JP
Hon MA Fung-kwok
Hon Christine LOH
Hon LAU Chin-shek, JP

Public officers attending : Mr Stephen IP
Secretary for Economic Services

Mr M J T ROWSE
Commissioner for Tourism

Ms Maria KWAN
Deputy Secretary for Economic Services (1)

Mr Arthur HO
Deputy Secretary for Economic Services (2)

Mr Alex FONG
Deputy Secretary for Economic Services (3)

Mrs Lessie WEI
Director of Agriculture & Fisheries

Mr Albert LAM
Director of Civil Aviation

Mr C T LEUNG
Director of Electrical and Mechanical Services

Mr S Y TSUI
Director of Marine

Dr H K LAM
Director of the Hong Kong Observatory

Mr Y W CHIANG
Postmaster General

Mrs Amy CHAN
Executive Director, Hong Kong Tourist Association

Clerk in attendance : Miss Salumi CHAN
Chief Assistant Secretary (1)5

Staff in attendance : Ms Pauline NG
Assistant Secretary General 1

Mr Andy LAU
Senior Assistant Secretary (1)6

Mr Matthew LOO
Senior Assistant Secretary (1)7

Action

I. Briefing by the Secretary for Economic Services on the Chief Executive's Policy Address 1999

Secretary for Economic Services (SES) briefed members on the policy objectives of the Economic Services Bureau (ESB) in the following four areas:

- (a) Air and sea transport infrastructure, postal and weather information services;
- (b) A key tourist destination;
- (c) Energy; and
- (d) Provision of fresh food produce.

2. SES also advised that ESB had made the best efforts in the past year to implement the 96 initiatives and 108 targets as agreed in and before 1998. Among these 108 targets, 56 had been completed, 39 were on schedule, eight were under review and only five targets were behind schedule.

(Post meeting note : The speaking note of SES was circulated to members vide LC Paper No. CB(1) 86/99-00 on 11 October 1999.)

Stimulation of economic growth

3. Responding to Mr HUI Cheung-ching, SES advised that the Administration had adopted a series of measures to stimulate economic growth after the Asian financial turmoil. ESB would adopt further measures within its policy areas. On air transport, ESB would be proactive in implementing the liberal policy for air cargo services so as to further develop Hong Kong into an international and regional air cargo hub. On sea transport, ESB would continue to promote Hong Kong as an international shipping centre and the world's major port. On tourism, it was expected that with the concerted efforts of the Government, Hong Kong Tourist Association (HKTA) and the trade,

tourism infrastructure, facilities and products would be further developed and improved to attract more tourists.

Air transport

4. Responding to the Deputy Chairman's enquiry on the liberal policy for air cargo services, SES advised that the Administration was prepared to exercise greater flexibility in granting fifth freedom rights for air cargo services to attract more air cargo traffic to, from and through Hong Kong. He also pointed out that about 70% of Hong Kong's aviation partners had already been granted the freedom rights.

5. On aviation safety, Mr Howard YOUNG expressed concern that radio frequency interference could affect the normal operation of the navigation system of an aircraft. He asked whether legislation would be introduced to forbid the use of mobile phones by aircraft passengers. SES advised that the Administration had been very concerned about the subject and had been working closely with the Mainland authorities on reducing the radio frequency interference, as most of the interference in Hong Kong was caused by radio emissions from paging stations in Guangdong Province. While significant progress had been achieved in the past two years, the Administration would continue its work to eliminate the problem. Director of Civil Aviation added that before an aircraft took off, the commander would ask passengers to switch off their mobile phones, personal computers, etc. In accordance with the Air Navigation (Hong Kong) Order 1995, passengers who failed to obey a lawful command of the commander should be guilty of an offence.

Sea transport

6. Mrs Miriam LAU was pleased to note that one of the ESB's targets in the coming year was to enhance the competitiveness of the Hong Kong container port and promote Hong Kong as an international shipping centre. She pointed out that SES and members of the Port and Maritime Board (PMB) had visited New York, London and Rotterdam in September 1999 for this purpose. The delegation had noted that the Government of Rotterdam had formulated strategic plans to develop its port and committed resources for research and development in this aspect. In the case of Hong Kong, Mrs LAU asked for the concrete measures to be introduced by the Administration and whether resources would be committed for research and development.

7. In response, SES advised that the Administration had launched a series of overseas promotional activities, and had also increased the attractiveness and tonnage of the Hong Kong Shipping Register by simplifying the procedures and reducing the registration costs. Moreover, the Port Development Board had been re-organized into the new PMB which provided a focal point to develop and implement initiatives to promote Hong Kong as an international shipping centre. SES also assured members that ESB would try to bid resources for conducting research to facilitate the development of the shipping industry.

Tourism

8. Mr CHAN Kam-lam asked for further information on the schemes concerning new tourist attractions in Hong Kong as mentioned by the Chief Executive in his Policy Address. In particular, Mr CHAN was concerned about the progress of the negotiations between the Administration and the Walt Disney Company (WDC) on the development of an international theme park at Penny's Bay on North Lantau. On the WDC's theme park, Commissioner for Tourism (C for Tourism) advised that the Administration and WDC had been involved in very extensive and detailed discussions with an aim to reach a decision by the end of October 1999. As regards other new schemes, C for Tourism advised that long-term projects such as Tung Chung cable cars and fisherman's wharf were being considered by the Administration. Private sector participation in these projects would be invited in due course. Moreover, the Administration was working with HKTA on some short-term projects to enhance Hong Kong's attractiveness.

9. Responding to Dr LUI Ming-wah, Executive Director of HKTA advised that HKTA had set up 18 overseas offices since its establishment in 1957. In assessing the performance of its overseas offices, HKTA had used various indicators such as the number of visitor arrivals, the average tourism receipts per capita, etc. Responding to Dr LUI's further question on the Government's annual expenditure on the promotion of tourism, C for Tourism advised that he had been directed by Chief Secretary for the Administration and Financial Secretary to review the subject. At present, the lion's share of the annual expenditure on the promotion of tourism was the Government's subvention for HKTA which was over HK\$500 million. Preliminary findings of the comparison made with other countries revealed that the Hong Kong Government's expenditure in this aspect had been effective in terms of the amount of money spent and the number of tourists attracted. C for Tourism said that he would further look into the subject with an aim to complete the review by the end of 1999.

Energy

10. The Deputy Chairman noted that the Administration had committed to achieve two targets by the end of 1999, namely, to decide whether to approve the installation of a new generation unit by the Hongkong Electric Company Limited (HEC) at the Lamma Power Station, and to complete the review of the deferral programme for units 7 and 8 at the Black Point Power Station of the China Light and Power Company Limited (CLP). He was concerned whether the two targets could be achieved in two months' time and whether the decisions made would pre-empt the results of the further studies to be commenced in 2000-2001 on interconnection in the electricity supply sector in Hong Kong.

11. SES advised that in examining HEC's proposal for additional generating capacity, the Administration would take into account the market demand for electricity, the environmental implication and other relevant matters. The proposal was currently being considered. On the commissioning of units 7 and 8 at the Black Point Power

Station, SES advised that the Administration and CLP had agreed to defer their installation programme for three years to 2003/2004 and would decide by the end of this year whether it should be further deferred for another two years. On interconnection in electricity supply sector, SES pointed out that it was a very complex issue which required further studies. The Administration would make public the report on interconnection and competition for comments before deciding on the way forward.

12. Mr LEE Wing-tat pointed out that as far as he knew, the construction of additional power plant was required mainly for meeting the summer peak demand for electricity. He considered it unjustified to do so and that it was more appropriate for the Administration to pursue other options to increase efficiency in energy use. In response, SES and Director of Electrical and Mechanical Services advised that the Planning, Environment and Lands Bureau had implemented various energy efficiency initiatives. Deputy Secretary for Economic Services (1) also pointed out that the Administration had reached formal agreements with HEC and CLP on demand side management (DSM) programmes. The objective of DSM was to reduce peak demand for electricity and longer term growth in demand for electricity so as to postpone, and possibly avoid, the construction of additional power plant.

Provision of fresh food produce

13. In response to Mr WONG Yung-kan's enquiry, Director of Agriculture & Fisheries advised that the Administration had been assisting local farmers and fishermen to improve productivity through introduction of high-yield, high-value produce varieties, pest and disease control and transfer of modern technology. For example, the Administration had introduced rapid diagnostic tests for major animal and bird diseases to reduce losses.

II. Any other business

14. There being no other business, the meeting ended at 10:40 am.

Legislative Council Secretariat

18 January 2000