

# 立法會

## *Legislative Council*

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

#### **Purpose**

This report gives an account of the work of the Panel on Trade and Industry during the Legislative Council session 1999-2000. It will be tabled at the meeting of the Council on 14 June 2000 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

#### **The Panel**

2. The Panel was formed by resolution of the Council on 8 July 1998 for the purpose of monitoring and examining Government policies and issues of public concern relating to trade and industry matters. The terms of reference of the Panel are at **Appendix I**.

3. The Panel comprises 17 members, with Hon CHAN Kam-lam and Hon Kenneth TING Woo-shou elected as Chairman and Deputy Chairman respectively. The membership list of the Panel is at **Appendix II**.

#### **Major Work**

##### Protection of copyright

4. The protection of copyright was a subject of major concern to the Panel. The Panel welcomed the inclusion of piracy and counterfeiting activities in Schedule 1 to the Organized and Serious Crimes Ordinance. With the enhanced investigative and enforcement powers available under the Ordinance, the Administration was able to take more effective action to combat anti-piracy activities. The Panel however noticed that there might be difficulties faced by some optical disc manufacturers in the verification of the authenticity of copyright authorizations. With a view to providing assistance in this respect, the Panel exchanged views with the Administration and the copyright-based industry on the measures that could assist the manufacturers in the verification process. It also urged the Administration to take proactive measures to combat internet piracy.

5. The Panel was also briefed on the Registration of Copyright Bodies Regulation which provided a voluntary registration scheme for copyright licensing bodies under the Copyright Ordinance. The said scheme would enhance the transparency of administration of copyright by ensuring that the essential information such as scales of royalty charges would be available to the public.

#### Strategic development in trade and industries

6. The Panel welcomed the positive progress in relation to China's accession to the World Trade Organization (WTO). In reviewing the global significance of China's WTO accession and the implications on the economy of Hong Kong, the Panel noted that China's accession to WTO would bring along a multitude of opportunities and challenges both to the Mainland and Hong Kong. With Hong Kong's profound trading experience, extensive business network, and close cultural and language semblance with the Mainland, Hong Kong would continue to have an edge in securing a fair share of the emerging economic opportunities, especially in the banking, insurance and telecommunication fields.

7. Members were however concerned about the competitiveness of the Hong Kong working population in view of the economic transformation towards high value-added and high technology industries. The Panel therefore urged the Administration to assist low-skilled workers in the economic transformation and be more proactive in attracting foreign investors to set up joint ventures in China with Hong Kong's businessmen.

8. With the emphasis of Hong Kong's economy shifting towards knowledge-based and high value-added activities, the Panel saw the need to strengthen the support for promoting innovation and technological improvements in the manufacturing and service industries. The Panel took note of the overwhelming response to the launching of the Innovation and Technology Fund which sought to finance projects contributing to the upgrading of technology and development of industry to be undertaken by the government or non-government entities. It had also received a briefing from the Administration and the appointed private sector venture capital companies on the latest development of the Applied Research Fund (ARF) which was a Government-owned venture capital to support local technology ventures with commercial potential. Members noted that the ARF had supported 14 technology companies, involving funding of some \$230 million and that most of these companies were involved with telecommunication and information technology.

9. The Panel examined the implications of environmental protection measures on industries and received an account of the current support measures to assist industries on environmental matters. Members had urged the Administration to take the lead to promote the development of environmental industries that could bring about new jobs and business opportunities.

10. The Panel expressed support for the introduction of an omnibus bill to facilitate air cargo transshipment in Hong Kong, which put in place a series of trade facilitating measures to help attract more air cargo and express service providers to invest in Hong Kong. The Panel also supported the reorganization of the Trade and Industry Bureau and

its supporting departments, which aimed to strengthen the co-ordination of efforts in promoting innovation and technology, attracting external direct investment, and supporting industry and commerce.

#### Infrastructural support for technology-related industries and business development

11. The construction of the Science Park which aimed to attract advanced technology-based overseas corporations or professionals to station in Hong Kong by providing a park-like environment and rent incentives had the full support of the Panel. The Panel, in monitoring the progress of the construction works of phase 1 of the Science Park project, noted that to cater for the changing demand of prospective tenants of the Park, the Government had to expedite construction to provide additional renting premises to make up the shortfall in lettable space. The Panel was assured that the multi-tenant buildings in the Park would be purpose-built with necessary technological and other facilities to cater for the needs of high-technology industries.

12. As for the proposed Business Park, the Panel noted Government's acceptance of the views of the Steering Committee on the Business Park Consultancy that the demand for more flexible forms of industrial infrastructure could be met by improving existing land infrastructure and modification of planning standards. Under the circumstances, there was not a clear case for setting up a specific property product in the form of a business park. The Panel noted that the Administration would pursue in this direction and strive to provide more flexible forms of industrial land and infrastructure facilities. In examining the Report of the Task Force on the Applied Science and Technology Research Institute, members of the Panel exchanged views with the Administration on the funding and management of the Institute.

#### Support for small and medium enterprises

13. The Panel had paid special attention to the assistance given to small and medium enterprises (SMEs) which were the backbone of Hong Kong's economy. SMEs had been making significant contributions towards economic growth as well as offering employment opportunities. The Panel fully supported the Administration's proposal to raise the approved commitment for the Special Finance Scheme for SMEs from \$2.5 billion to \$5 billion to enable more SMEs to benefit from the financial guarantees provided under the Scheme. Members drew to the Administration's attention that the root of the SME financing problem was the lack of expertise of local banks in assessing non-collateral-based-lending and the inadequacies of SMEs themselves in modern financial management. The Administration should therefore provide guidelines to banks and financial institutions on the provision of SME loans to ensure the proper usage of the Scheme.

#### Promotion of market competition

14. The Panel was supportive of the need to nurture competition for the purpose of enhancing economic efficiency and free trade, thereby benefiting consumer welfare. The Panel supported the proposed rice trade liberalization plan which aimed at full liberalization of the trade by the year 2003. Members noted that upon full liberalization, the

Administration would exercise minimum control necessary to ensure a stable supply of rice for consumption by the population. They cautioned the Administration that in the course of liberalization, close monitoring was required to avoid monopolization of the trade by a few major supermarket chains.

15. Arising from a complaint from the Hong Kong Exhibition and Convention Organizers' and Suppliers' Association that the Hong Kong Trade Development Council was unfairly competing with the private organizers and suppliers in the organization of trade exhibitions, the Panel examined the existing policy on the organization of trade exhibitions and the charging arrangement of the Hong Kong Trade Development Council.

16. The Panel also examined the various initiatives to promote competition and the competition-related cases and complaints included in the 1999-2000 report of the Competition Policy Advisory Group.

17. Members of the Panel were consulted on the proposal to introduce a bill on civil liability for unsafe products which aimed at providing a legal basis for consumers to seek compensation from producers, retailers etc for loss or injury from the use of unsafe products. The Administration took note of members' concern about the enforceability of the bill and its implications on the business sector. Arising from the discussion on the labeling requirements of parallel imports of trade marks goods by the Bills Committee on Trade Marks Bill, the Panel exchanged views with the Administration on the adequacy of labeling requirements in consumer goods and the impact of additional labeling.

18. From October 1999 to June 2000, the Panel held a total of 11 meetings.

Legislative Council Secretariat

7 June 2000

**Legislative Council**

**Panel on Trade and Industry**

**Terms of Reference**

1. To monitor and examine Government policies and issues of public concern relating to trade and industry matters.
2. To provide a forum for the exchange and dissemination of views on related policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in the relevant policy areas prior to their formal introduction to the Council or Finance Committee.
4. To examine and to report on any major issues of wide public concern in the relevant policy areas as referred by the Council or House Committee or as raised by the Panel itself.

立法會  
貿易及工業事務委員會  
Legislative Council  
Panel on Trade and Industry

委員名單  
Membership list

陳鑑林議員(主席)	Hon CHAN Kam-lam (Chairman)
丁午壽議員(副主席)	Hon Kenneth TING Woo-shou, JP (Deputy Chairman)
田北俊議員	Hon James TIEN Pei-chun, JP
何秀蘭議員	Hon Cyd HO Sau-lan
李華明議員	Hon Fred LI Wah-ming, JP
呂明華議員	Dr Hon LUI Ming-wah, JP
吳亮星議員	Hon NG Leung-sing
吳清輝議員	Prof Hon NG Ching-fai
周梁淑怡議員	Hon Mrs Selina CHOW LIANG Shuk-ye, JP
馬逢國議員	Hon MA Fung-kwok
張文光議員	Hon CHEUNG Man-kwong
許長青議員	Hon HUI Cheung-ching
陳國強議員	Hon CHAN Kwok-keung
陳智思議員	Hon Bernard CHAN
梁劉柔芬議員	Hon Mrs Sophie LEUNG LAU Yau-fun, JP
單仲偕議員	Hon SIN Chung-kai
黃宜弘議員	Dr Hon Philip WONG Yu-hong

合共 : 17 位議員  
Total : 17 Members

日期 : 1999 年 10 月 7 日  
Date : 7 October 1999