

Replies to questions raised by Finance Committee Members
in examining the Estimates of Expenditure 2003-04

Controlling Officer: Director, Beijing Office
[Session No.: 5] [File name: BJO-e1.doc]

Reply Serial No.*	Question Serial No.	Name of Member	Head	Programme
BJO-001	0089	LAU Wong-fat	35	Liaison
BJO-002	0120	HO Sau-lan, Cyd	35	Liaison
BJO-003	0137	MA Fung-kwok	35	Liaison
BJO-004	0454	LEE Chu-ming, Martin	35	Liaison
BJO-005	0602	IP Kwok-him	35	Liaison
BJO-006	0613	IP Kwok-him	35	Liaison
BJO-007	0681	LI Ka-cheung, Eric	35	Liaison
BJO-008	0682	LI Ka-cheung, Eric	35	Liaison
BJO-009	1067	LEE Cheuk-yan	35	Liaison
BJO-010	1090	IP Kwok-him	35	Liaison
BJO-011	1137	TIEN Pei-chun, James	35	Liaison

Examination of Estimates of Expenditure 2003-04

Reply Serial No.

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

BJO 001

Question Serial No.

0089

Head : 35 Government Secretariat: Beijing Office

Subhead (No. & title) :

Programme : (1) Liaison

Controlling Officer : Director, Beijing Office

Director of Bureau : Secretary for Constitutional Affairs

Question :

What are the selected provinces, autonomous regions and municipalities in which the Beijing Office will further its promotional activities in the coming year and what will be the costs involved?

Asked by : Hon. LAU Wong-fat

Reply :

When selecting locations for promotional activities, we would give full consideration to the potential for developing business opportunities between HK and the Mainland location concerned, and the interests of HK's various sectors. We are in the process of discussing with several local governments on the possibility of organising promotional activities, and at the same time consulting relevant departments of the HKSARG and the business and service sectors of Hong Kong for their opinion. A decision has not been made and we shall make an announcement once we have come to a decision. The estimated expenditure is \$3.7 million.

Signature

Signed on Chinese version

Name in block letters

Bowen LEUNG

Post Title

Director, Beijing Office

Date

19.3.2003

Examination of Estimates of Expenditure 2003-04

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

BJO-002

Question Serial No.

0120

Head: 35 - Subhead(No. & title):
Government
Secretariat:
Beijing Office

Programme: (1) Liaison

Controlling Officer: Director, Beijing Office

Director of Bureau: Secretary for Constitutional Affairs

Question : Regarding consultancy studies for policy making and assessment (if any) commissioned by the above bureau and departments, please provide details in the following format:

(1) Please provide the following details on the consultancy studies for which financial provision has been allocated respectively in 2001-02 and 2002-03:

Name of consultants (if available)	Description	Consultancy fees	Progress on consultancy studies (planning/ in progress / completed)	The Administration's follow-up action on the study reports and the progress made	Reasons for no follow-up action on the study reports and whether other measures are available to deal with the subjects under study

(2) Please provide the following details on the consultancy studies for which financial provision has not been allocated respectively in 2001-02 and 2002-03, though consultancy studies have been made during the year:

Name of consultants (if available)	Description	Consultancy fees	Progress on consultancy studies (planning/ in progress / completed)	The Administration's follow-up action on the study reports and the progress made	Reasons for no follow-up action on the study reports and whether other measures are available to deal with the subjects under study

(3) Has financial provision been allocated for commissioning consultancy studies in 2003-04? If yes, please provide the following details:

Name of consultants (if available)	Description	Consultancy fees	Status of consultancy studies (planning/ in progress / completed)

Asked by: Hon. HO Sau-lan, Cyd

Reply:

(1) Please provide the following details on the consultancy studies for which financial provision has been allocated respectively in 2001-02 and 2002-03:

Name of consultants (if available)

Description

Consultancy fees

Progress on consultancy studies (planning/ in progress / completed)

The Administration's follow-up action on the study reports and the progress made

Reasons for no follow-up action on the study reports and whether other measures are available to deal with the subjects under study

—

—

Nil

—

—

—

(2) Please provide the following details on the consultancy studies for which financial provision has not been allocated respectively in 2001-02 and 2002-03, though consultancy studies have been made during the year:

Name of consultants (if available)

Description

Consultancy fees

Progress on consultancy studies (planning/ in progress / completed)

The Administration's follow-up action on the study reports and the progress made

Reasons for no follow-up action on the study reports and whether other measures are available to deal with the subjects under study

—

Signature Signed on Chinese version

Name in block letters BOWEN LEUNG

Post Title Director, Beijing Office

Date 19.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

BJO-003

Question Serial No.

0137

Head: 35 - Government Secretariat: Beijing Office Subhead (No. & title):

Programme: (1) Liaison

Controlling Officer: Director, Beijing Office

Director of Bureau: Secretary for Constitutional Affairs

Question :

The analysis of financial and staffing provision refers to a salary increment for locally engaged staff. What are the details and the criteria of the increment?

Asked by: Hon. MA Fung-kwok

Reply:

The provision sought for hiring locally engaged staff for 2003-04 is \$1,903,000, representing an increase of \$218,000 over the 2002-03 revised estimates of \$1,685,000. The increase is to make provisions for –

- | | | |
|-----|------------------|-----------|
| (a) | Salary increment | \$101,000 |
| (b) | Pay rise | \$89,000 |
| (c) | Contingency | \$28,000 |

The salary of the locally engaged staff is determined by the number of years of service of a particular staff, and subject to satisfactory performance, the staff will be awarded an increment in accordance with the pay scale approved by the Finance Committee when the Beijing Office was set up. The annual rate of increment is around 6%.

Apart from salary increment, the salary of the locally engaged staff is adjusted annually according to an adjustment mechanism approved by the Finance Committee. Under the mechanism, the rate of adjustment is recommended by the recruiting agency, having regard to various factors including the inflation rate of the previous year published by the Mainland authorities, and the payment for social security and welfare. Based on past experience, the estimated rate for 2003-04 is pitched at 5%.

We have also earmarked a certain amount as contingency for engaging temporary staff to cover long leave which locally engaged staff are entitled to under the local law, such as maternity leave and home visit leave.

Signature Signed on Chinese version

Name in block letters Bowen LEUNG

Post Title Director, Beijing Office

Date 19.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

BJO 004

Question Serial No.

0454

Head : 35 Government Secretariat: Subhead(No. & title):
Beijing Office

Programme : (1) Liaison

Controlling Officer : Director, Beijing Office

Director of Bureau : Secretary for Constitutional Affairs

Question :

One of the Beijing Office's responsibilities is to keep Hong Kong up-dated of the business opportunities arising from the Olympic Games. Please set out in detail the relevant items of work and the plans that have yielded concrete results.

Asked by : Hon. LEE Chu-ming, Martin

Reply :

The Business and Services Promotion Unit (BSPU) of the HKSAR Government is responsible for coordinating the efforts of assisting Hong Kong in exploring business opportunities associated with the Olympic Games. The main role of the Beijing Office is to maintain close contact with the Beijing Organising Committee for the Games of the XXIX Olympiad (BOCOG), promote Hong Kong's advantages in various sectors, monitor closely the progress of the preparation work for the Games, and report the information to the BSPU and related government departments and organisations so that the relevant sectors in Hong Kong will be kept informed of the situation and plan accordingly.

Having regard to the requests of Hong Kong's business and professional sectors and the practical needs of the BOCOG at various stages of the preparatory work, we have also succeeded in helping to establish contact between Hong Kong's business and professional sectors and the BOCOG and

to promote Hong Kong's advantages in related fields for them to compete for business opportunities. In 2002, the Beijing Office arranged for several sectors (including the financial and legal sectors) to promote their services to the BOCOG. We also organised a visit to Qingdao, the co-organising city of the 2008 Olympic Games, for Hong Kong professionals to obtain information on business opportunities there and to promote Hong Kong's advantages. Furthermore, we also assisted in arranging visits to Hong Kong by Beijing's relevant authorities to introduce the Olympics-related business opportunities.

In 2003, the Beijing Office will continue to pay close attention and report to the BSPU and other government departments on the preparatory work of the Games, in particular the progress of the tendering exercise for the works projects and the marketing plans.

Signature Signed on Chinese Version

Name in block letters Bowen LEUNG

Post Title Director, Beijing Office

Date 19.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

BJO 005

Question Serial No.

0602

Head : 35 Government Secretariat: Subhead(No. & title) :
Beijing Office

Programme : (1) Liaison

Controlling Officer : Director, Beijing Office

Director of Bureau : Secretary for Constitutional Affairs

Question :

With regard to the matters requiring special attention in the coming year, the Beijing Office will monitor closely the opening-up of the Mainland market following China's accession to the WTO and keep concerned parties in Hong Kong up-dated of the preparatory work of the 2008 Olympic Games. In this connection, will the Administration inform this Council of::

- (a) the specific working plan; and
- (b) the detailed breakdown of expenditure?

Asked by : Hon. IP Kwok-him

Reply :

(a) With China's accession to the WTO, the Mainland's market opening is in full swing. The Beijing Office will monitor closely the Mainland's economic and social developments, changes in related legislation and policies, market opening in various sectors, and measures adopted by the central and local authorities to promote development. We will report these to relevant departments of the HKSAR Government so that they can be kept up to date with the latest situation for analysing and evaluating the impact on Hong Kong. In addition, when we organise promotions, we will invite the local governments in the Mainland to brief Hong Kong business and professional sectors on the developments and the market opening measures of the regions concerned, and to provide participants with related reference materials.

The Business and Services Promotion Unit (BSPU) of the HKSAR Government is responsible for coordinating the efforts of assisting Hong Kong

in exploring business opportunities associated with the Olympic Games. The main role of the Beijing Office is to maintain close contact with the Beijing Organising Committee for the Games of the XXIX Olympiad (BOCOG), promote Hong Kong's advantages in various sectors, monitor closely the progress of the preparation work for the Games, and report the information to the BSPU and related HKSAR Government departments and organisations so that the relevant sectors in Hong Kong will be kept informed of the situation and plan accordingly.

In 2002, the Beijing Office arranged for several sectors (including the financial and legal sectors) to promote their services to the BOCOG. We also organised a visit to Qingdao, the co-organising city of the 2008 Olympic Games, for Hong Kong professionals to obtain information on business opportunities there and promote Hong Kong's advantages. Furthermore, we also assisted in arranging visits to Hong Kong by Beijing's relevant authorities to introduce the Olympics-related business opportunities.

In 2003, the Beijing Office will continue to pay close attention and report to the BSPU and other government departments on the preparatory work of the Games, in particular the progress of the tendering exercise for the works projects and the marketing plans.

(b) The above task is an integral part of the Beijing Office's ongoing work under Programme (1). It is therefore difficult for us to objectively allocate a detailed breakdown of expenditure under Programme (1) to this task.

Signature Signed on Chinese Version

Name in block letters Bowen LEUNG

Post Title Director, Beijing Office

Date 19.3.2003

Examination of Estimates of Expenditure 2003-04

Reply Serial No.

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

BJO 006

Question Serial No.

0613

Head : 35 Government Secretariat: Beijing Office

Subhead (No. & title) :

Programme : (1) Liaison

Controlling Officer : Director, Beijing Office

Director of Bureau : Secretary for Constitutional Affairs

Question :

As regards further promotional activities in selected provinces, autonomous regions and municipalities, will the Administration inform this Council:

- (a) of the specific provinces, autonomous regions and municipalities selected for the coming year;
- (b) of the factors underlying the selection;
- (c) of the arrangements for and the contents of the promotional activities, and whether there will be any specific theme;
- (d) of the means to assess the effectiveness of the promotional activities;
- (e) of the detailed breakdown of expenditure for the promotional activities; and
- (f) whether there is any plan to assess the effectiveness of the promotional activities held in the various provinces, autonomous regions and municipalities in the past years? If yes, what are the findings? If no, why?

Asked by : Hon. IP Kwok-him

Reply :

(a) and (b): When selecting locations for promotional activities, we would give full consideration to the potential for developing business opportunities between HK and the Mainland location concerned, and the interests of HK's various sectors. We are in the process of discussing with several local governments on the possibility of organising promotional activities, and at the same time consulting relevant departments of the HKSARG and the business and service sectors of Hong Kong for their opinion. A decision has not been made and we shall make an announcement once we have come to a decision.

(c) We expect to hold 2 to 3 promotional activities in 2003-04, with the main objectives of introducing the implementation of the "One Country, Two Systems" in Hong Kong, promoting the advantages of Hong Kong, strengthening our pivotal role and facilitating Hong Kong businessmen to explore new markets in the Mainland. Activities will include exhibitions, seminars on finance, tourism, service industry, industry and trade, and visits, with a view to helping Hong Kong enterprises to establish connection with the local governments and their business counterparts.

(d) The major criteria that we use to assess the effectiveness of an activity include the number, level and representativeness of the attendees, the feedback of participants, media reports, the promotional impact in the relevant region, and whether our business and professional sectors would be prepared to take part in similar activities.

(e) In 2003-04, the expenditure for publicity in the provinces/municipalities is estimated to be \$3.7 million, of which \$2.4 million will be spent on general publicity (e.g. exhibitions, publicity materials) and \$1.3 million on trade promotion activities (e.g. seminars, study tours, business banquets).

(f) After each major promotional event, the Beijing Office, together with the participating departments and organisations in Hong Kong, would review the outcome and evaluate the effectiveness of the activity. Past experience shows that on average the exhibition would attract about 50 000 to 60 000 visitors, while over 1 000 officials, representatives of enterprises and professionals have participated directly in various business activities and exchanges in each place. All the promotions have received good coverage from the central, local and Hong Kong media and aroused immense interest particularly in the places where the promotion was held. Both local and Hong Kong participants were generally of the view that such activities would enhance mutual understandings and help establish contacts, and were conducive to future economic co-operation. We understand that some enterprises and professionals in Hong Kong have followed up directly with the local business sectors afterwards to discuss co-operation projects.

Signature	<u>Signed on Chinese version</u>
Name in block letters	<u>Bowen LEUNG</u>
Post Title	<u>Director, Beijing Office</u>
Date	<u>19.3.2003</u>

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

BJO-007

Question Serial No.

0681

Head : 35 -Government Secretariat Subhead (No. & title) :
Beijing Office
Programme : (1) Liaison

Controlling Officer : Director, Beijing Office

Director of Bureau : Secretary for Constitutional Affairs

Question :

- (a) Regarding the radio programme mentioned in paragraph 9 under Brief Description, on what station is it broadcast? Do we have to pay for this? if yes, what are the details? If no, why?
- (b) Could the Administration explain why the programme is targeting only the residents in the southern part of the Mainland to keep them informed about the latest developments in Hong Kong? Is this cost-effective?
- (c) The programme is said to have reached an audience of 1,749,000 in the area. How is the figure arrived at?
- (d) Please provide information about the 774 public enquiries and requests for assistance. Is there a service charge?
- (e) When was the handling of these cases completed? Does the above-mentioned figure represent the accumulated number of cases handled by the Beijing Office since its inception, or does it refer only to the total number of cases handled in the year 2002?

Asked by : Hon. Eric Li Ka-cheung

Reply :

- (a) The Beijing Office has co-produced a weekly Cantonese radio programme "Beijing Hong Kong Though Train" with the Central National Radio (CNR) Hua Xia Zhi Sheng since March, 2001. The programme seeks to keep residents in the southern part of the Mainland, in particular those in the Pearl River Delta area,

abreast of the latest developments in Hong Kong and new initiatives in co-operation between Hong Kong and the Mainland with a view to promoting trade, tourism and cultural exchanges between the two places. Owing to the good response of the programme, the Beijing Office has renewed the contract for another year starting March 2003. The production cost is borne by CNR. The Beijing Office's total annual expenditure on this item is about \$200,000, of which \$100,000 is paid to CNR to cover general expenses including the fee for the use of the radio frequency, communication charges, equipment charges, etc, and about \$100,000 is spent on pre-production costs relating to information research and script writing in Hong Kong.

(b) At present, "Beijing Hong Kong Through Train" is broadcast in Cantonese on CNR Hua Xia Zhi Sheng (i.e. Channels 6 and 7) which covers southern China (which includes Guangdong, Guangxi, Hunan, Fujian, Taiwan, Hong Kong and Macao) and part of Southeast Asia. The programme has a very wide coverage of audience and is considered cost-effective.

(c) According to an audience survey conducted by CNR Hua Xia Zhi Sheng in July 2002, 1,749,000 people listened to the programme on a regular basis.

(d) & (e) In 2002, the Beijing Office handled a total of 774 public enquiries and requests for assistance. Of which, 381 cases were public enquiries and 393 requests for assistance. The breakdown is as follows:

(1) Public Enquiries

	Nature	No.
a.	Trade- and business-related enquiries	38
b.	Seeking information about the HKSAR Government or organizations in Hong Kong	55
c.	Seeking information about the Mainland	18
d.	Miscellaneous enquiries or expression of views	214
e.	Initial enquiries relating to requests for assistance	56
	Total	381

(2) Requests for Assistance

	Nature	No.
a.	Business and trade disputes	78
b.	Complaints relating to real property in the Mainland	82
c.	Complaints against the Mainland's administrative, law enforcement and judicial agencies	150
d.	Others	83
	Total	393

The Beijing Office does not impose any charges for handling public enquiries and requests for assistance.

Signature Signed on Chinese version

Name in block letters Bowen LEUNG

Post Title Director, Beijing Office

Date 19.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

BJO-008

Question Serial No.

0682

Head: 35 - Government Secretariat: Beijing Subhead (No. & title):
Office

Programme: (1) Liaison

Controlling Officer: Director, Beijing Office

Director of Bureau: Secretary for Constitutional Affairs

Question :

- (a) How many of the 12 staff under Programme 1 are locally engaged? How many of them are Hong Kong permanent residents as well as Chinese citizens? How many of them are Hong Kong permanent residents but not Chinese citizens?
- (b) How many staff are actually engaged in liaison under Programme 1? How many of them are engaged in for internal administrative or logistic duties? What is the total amount of salary earmarked for the former and latter groups of staff respectively?

Asked by: Hon. LI Ka-cheung, Eric

Reply:

- (a) The 12 staff members under Programme 1 are civil servants of the Hong Kong Special Administrative Region Government. They are all Hong Kong permanent residents.
- (b) Under Programme 1, 9 Hong Kong-based officers are involved in liaison work and 3 in internal administrative/logistic work. The amount of salary included in the 2003-04 draft estimates for these two categories of staff is \$9,880,000 and \$1,860,000 respectively.

Signature Signed on Chinese version

Name in block letters Bowen LEUNG

Post Title Director, Beijing Office

Date 19.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

BJO-009

Question Serial No.

1067

Head: 35 - Government Secretariat: Beijing Office Subhead (No. & title): 000 Operational expenses

Programme:

Controlling Officer: Director, Beijing Office

Director of Bureau: Secretary for Constitutional Affairs

Question :

Please provide the number of non-civil service contract staff employed and the level of expenditure involved in 2002-03? Are there any plans to employ more or less non-civil service contract staff in 2003-04? If so, what are the reasons? And what will be the number of staff and the level of expenditure involved?

Asked by: Hon. LEE Cheuk-yan

Reply:

The Beijing Office has not engaged any non-civil service contract (NCSC) staff in 2002-03 and we have not included any provision for recruiting NCSC staff in the 2003-04 draft Estimates.

Signature Signed on Chinese version

Name in block letters Bowen LEUNG

Post Title Director, Beijing Office

Date 19.3.2003

Examination of Estimates of Expenditure 2003-04
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

BJO-010

Question Serial No.

1090

Head: 35 - Government Secretariat: Beijing Office Subhead (No. & title):

Programme: (1) Liaison

Controlling Officer: Director, Beijing Office

Director of Bureau: Secretary for Constitutional Affairs

Question :

In regard to the acquisition of permanent accommodation for the Beijing Office, will the Administration inform the Council of the latest progress and the expenses incurred so far?

Asked by: Hon. IP Kwok-him

Reply:

We have identified a site for the permanent office and are in the process of land acquisition and site clearance. The accumulative actual expenditure of the project is \$22,502,000. Of this amount, \$20,722,000 has been spent on compensation in relation to site clearance, \$804,000 on part of the fees, taxes and charges paid to the Beijing Municipal Government, and \$976,000 on professional services and legal fees incurred in the first stage of the project. In addition, in accordance with the local government regulations, we have committed a sum of \$30,264,000 to meet the remaining part of the payments for land acquisition, site clearance and other taxes and charges.

Signature Signed on Chinese version

Name in block letters Bowen LEUNG

Post Title Director, Beijing Office

Date 19.3.2003

Examination of Estimates of Expenditure 2003-04

Reply Serial No.

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

BJO 011

Question Serial No.

1137

Head : 35 Government Secretariat: Beijing Office

Subhead (No. & title) :

Programme : (1) Liaison

Controlling Officer : Director, Beijing Office

Director of Bureau : Secretary for Constitutional Affairs

Question :

The Beijing Office plans to further its promotional activities in selected provinces, autonomous regions and municipalities. Will the Administration inform this Council:

- (a) of the expenditure for such promotional activities;
- (b) whether the promotion of Hong Kong's investment environment and the Admission of Mainland Professionals Scheme will be among the themes covered; and
- (c) of the places selected?

Asked by : Hon. TIEN Pei-chun, James

Reply :

- (a) In 2003-04, the estimated expenditure is \$3.7 million.
- (b) Yes.
- (c) We are in the process of discussing with several local governments on the possibility of organising promotional activities, and at the same time consulting relevant departments of the HKSARG and the business and service sectors of Hong Kong for their opinion. When selecting locations for

promotional activities, we would give full consideration to the potential for developing business opportunities between HK and the Mainland location concerned, and the interests of HK's various sectors. We shall make an announcement once we have come to a decision.

Signature	<u>Signed on Chinese version</u>
Name in block letters	<u>Bowen LEUNG</u>
Post Title	<u>Director, Beijing Office</u>
Date	<u>19.3.2003</u>