

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

**[Director of Bureau : Secretary for the Economic Development and Labour]
[Session No. : 16] [File name : EDLB(ED)-e1.doc]**

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Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)001

Question Serial No.

0365

Head : 28 Civil Aviation Department Subhead: 000 Operational Expenses

Programme : (1) Flight Standards

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : Under Matter Requiring Special Attention in 2003-04, the department will continue to monitor the implementation of cockpit security enhancement programmes of Hong Kong aircraft operators. What is the detail of the programmes and how much provision has been allocated?

Asked by: Hon. YOUNG, Howard

Reply: During 2003-04, Civil Aviation Department (CAD) will continue to monitor the implementation of cockpit security enhancement programmes of Hong Kong aircraft operators.

In accordance with new standards for cockpit security promulgated by the International Civil Aviation Organisation, CAD issued a Flight Operations Notice in August 2002 requiring all Hong Kong registered passenger aircraft with a maximum certified take-off mass in excess of 45 500 kg or with a passenger seating capacity greater than 60 to be equipped with an approved flight-crew compartment door of a reinforced standard, including a surveillance system, by 1 November 2003. CAD will continue to monitor local airlines' implementation of measures to meet the above requirement and provide advice as necessary.

CAD will also approve security-training programmes submitted by operators of Hong Kong registered aircraft. Operators are required to maintain such programmes to ensure that crew members will act in the most appropriate manner to minimize the effects of acts of unlawful interference by passengers.

The Flight Standards Division of CAD is responsible for the above work, among others. The total allocation to the Flight Standards Division for 2003-04 is \$56.2 million. No additional provision will be allocated specifically for monitoring the implementation of cockpit security enhancement programmes of Hong Kong aircraft operators. The work will be undertaken by existing staff.

Signature _____

Name in block letters ALBERT K.Y. LAM

Post Title Director-General of Civil Aviation

Date 21.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)002

Question Serial No.

0366

Head : 28 — Civil Aviation Department Subhead : 000 Operational Expenses

Programme : (5) Air Services

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : Under Matter Requiring Special Attention in 2003-04, the department will continue to monitor aircraft noise and flight tracks, and implement the noise abatement programme. Will the Administration inform this Committee whether these are existing programmes or whether new programmes will be introduced in the coming fiscal year to minimize the noise from aircraft?

Asked by: Hon. YOUNG, Howard

Reply: In 2003-04, CAD will enhance the "Aircraft Noise and Flight Track Monitoring System". CAD will continue to implement existing aircraft noise mitigation measures and closely monitor aviation technology developments at the international level with a view to minimizing the impact of aircraft noise.

Signature _____

Name in block letters ALBERT K.Y. LAM

Post Title Director-General of Civil Aviation

Date 21.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)003

Question Serial No.

0367

Head : 28 Civil Aviation Department Subhead : 000 Operational Expenses

Programme : (5) Air Services

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : Under Matter Requiring Special Attention in 2003-04, the department will continue to provide necessary support to heliport development. Will the Administration inform this Committee what resources are provided for supporting helicopter services in order to promote its development?

Asked by: Hon. YOUNG, Howard

Reply: Various divisions in the Civil Aviation Department are involved in supporting the development of helicopter services, among other duties. The Air Services Division monitors the demand for commercial helicopter services and undertakes strategic planning for the development of heliports and other supporting facilities. The Flight Standards and Airworthiness Division, Airport Standards Division and the Air Traffic Management Division regulate helicopter operations such as licensing and safety standards. They also provide technical advice to helicopter operators when necessary.

Signature _____

Name in block letters ALBERT K.Y. LAM

Post Title Director-General of Civil Aviation

Date 21.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)004

Question Serial No.

0368

Head : 28 — Civil Aviation Department Subhead: 000 Operational Expenses

Programme : (5) Air Services

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : Provision for 2003-04 is \$1.4 million (6.2%) higher than the revised estimate for 2002-03. One of the reasons for such increase is due to the additional resources required for the study on heliport development. Please specify what are these resources.

Asked by: Hon. YOUNG, Howard

Reply: Of the \$1.4 million increase in provision, \$1.2 million is budgeted for possible technical feasibility studies that may be required for the identification of potential sites for heliports and helicopter supporting facilities.

Signature _____

Name in block letters ALBERT K.Y. LAM

Post Title Director-General of Civil Aviation

Date 21.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)005

Question Serial No.

0372

Head : 28 — Civil Aviation Department Subhead : 000 Operational Expenses

Programme : (3) Air Traffic Management

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : Provision for 2003-04 is HK\$11.7 million (4.4%) higher than the revised estimate for 2002-03 which is partly due to salary increments for staff.
What is the detail of the rates of increments?

Asked by: Hon. YOUNG, Howard

Reply: The salary provision budgeted under Programme (3) Air Traffic Management is \$232.1 million and \$2.401 million of this provision is to provide for salary increments for staff. The salary increments represent 1% of the salary provision under this Programme.

Signature _____

Name in block letters ALBERT K.Y. LAM

Post Title Director-General of Civil Aviation

Date 21.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)006

Question Serial No.

0373

Head : 28 — Civil Aviation
Department

Subhead : 000 Operational Expenses

Programme : (4) Engineering and Systems

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : Provision for 2003-04 is HK\$27.7 million (10.5%) higher than the revised estimate for 2002-03 which is partly due to salary increments for staff. What is the detail of the rates of increments?

Asked by: Hon. YOUNG, Howard

Reply: The salary provision budgeted under Programme (4) Engineering and Systems is \$56.3 million and \$0.582 million of this provision is to provide for salary increments for staff. The salary increments represent 1% of the salary provision under this Programme.

Signature _____

Name in block letters ALBERT K.Y. LAM

Post Title Director-General of Civil Aviation

Date 21.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)007

Question Serial No.

0428

Head : 28 Civil Aviation Department

Subhead : 000 Operational Expenses

Programme : (1) Flight Standards

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : Provision for 2003-04 is \$6.4 million (12.9%) higher than the revised estimate for 2002-03. One of the reasons is due to the establishment of the Air Traffic Management Standards Office to function as a regulator overseeing the safety and efficiency of air traffic control operation. Will the Administration inform this Committee how much provision has been allocated for this office? Please provide the breakdown of expenditure.

Asked by: Hon. YOUNG, Howard

Reply: The Air Traffic Management Standards Office is established through internal redeployment of staff. In 2003-04 about \$3.14 million will be required to meet the salary requirement. The breakdown is as follows:

	<u>\$M</u>
1 Chief Air Traffic Control Officer	1.22
1 Air Traffic Control Officer I	0.99
1 Air Traffic Control Officer II	0.75
1 Personal Secretary II	0.18
	<hr/>
	3.14
	<hr/>

Signature _____

Name in block letters ALBERT K. Y. LAM

Post Title Director-General of Civil Aviation

Date 21.3.2003

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

Reply Serial No.

EDLB(ED)008

Question Serial No.

0489

Head : 28 — Civil Aviation Department Subhead : 000 Operational Expenses

Programme : (3) Air Traffic Management

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : Will the Government inform this Committee of the data regarding the anticipated air traffic services demand for which the Civil Aviation Department needs to recruit air traffic control officers; the intended number of officers to be recruited; and the ranks and salary level of the new recruits?

Asked by: Hon. CHAN Kam-lam

Reply: Over the next five years, Hong Kong's air passenger and cargo traffic is forecast to grow respectively at an average annual rate of 5% and 6.5% whereas the number of aircraft movements and aircraft overflying Hong Kong will grow respectively by 5% and 3%. Regarding the staff establishment in Civil Aviation Department (CAD), 53 Air Traffic Control Officers will retire over the next ten years. This represents about 23% of the present establishment.

In order to handle the anticipated growth in the demand for air traffic control services and to ensure timely replacement of the officers who will retire, CAD plans to apply for an exemption from the freeze of recruitment to the civil service and recruit ten Student Air Traffic Control Officers in 2003-04. The new recruit will receive 7-year on-the-job training and obtain the relevant professional qualifications. If the application is approved, the monthly salary of the planned new recruits is \$13,670.

Signature _____

Name in block letters ALBERT K.Y. LAM

Post Title Director-General of Civil Aviation

Date 21.3.2003

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

Reply Serial No.

EDLB(ED)009

Question Serial No.

0788

Head : 28 — Civil Aviation Department Subhead : 000 Operational Expenses

Programme : (5) Air Services

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : In the face of the noise problem caused by flights after midnight, will the Government engage more manpower and resources in 2003-04 to monitor the problem so as to mitigate the nuisance caused to residents by aircraft noise? If yes, what are the measures and how to ensure their effectiveness?

Asked by: Hon. CHAN Wai-yip, Albert

Reply: In 2003-04, Civil Aviation Department (CAD) will enhance the “Aircraft Noise and Flight Track Monitoring System”. The estimated cost for the upgrading work is \$1.5 million.

CAD will continue to implement existing aircraft noise mitigation measures and closely monitor aviation technology developments at the international level with a view to minimizing the impact of aircraft noise. We will use existing staff in CAD to monitor aircraft noise.

Signature _____

Name in block letters ALBERT K.Y. LAM

Post Title Director-General of Civil Aviation

Date 21.3.2003

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

Reply Serial No.

EDLB(ED)010

Question Serial No.

1122

Head : 28 Civil Aviation Department Subhead : 000 Operational expenses

Programme : (3) Air Traffic Management; (4) Engineering and Systems

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : An additional of \$11.7m and \$27.7m is required by the Civil Aviation Department under Programme (3) Air Traffic Management Programme (4) Engineering and Systems, representing an increase of 4.4% and 10.5% respectively. Please give a detailed account of the increase in the establishment and the equipment to be procured?

Asked by: Hon. CHEUNG Man-kwong

Reply: In 2003-04, CAD plans to apply for an exemption from the freeze of recruitment to the civil service and recruit ten Student Air Traffic Control Officers under Programme (3) Air Traffic Management. The new recruits will receive 7-year on-the-job training and obtain the relevant professional qualifications. These new recruits are required to replace Air Traffic Control Officers who will retire and to handle the anticipated growth in the demand for air traffic control services.

The existing air traffic control system has been in use for over five years. To ensure that Hong Kong's air traffic control system continues to provide safe and high level of services, CAD has to procure or upgrade the following equipment and systems:

- 1) radar data processing and display system;
- 2) flight data processing system;
- 3) automatic message switching system;
- 4) speech processing equipment;
- 5) liquid crystal display radar monitor; and
- 6) leasing of secondary surveillance radar and very high frequency communications facilities at Xisha.

Signature _____

Name in block letters ALBERT K.Y. LAM

Post Title Director-General of Civil Aviation

Date 21.3.2003

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

Reply Serial No.

EDLB(ED)011

Question Serial No.

1200

Head : 28 — Civil Aviation Subhead : 000 Operational Expenses
Department

Programme : (2) Airport Standards and (3) Air Traffic Management

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : As mentioned in the document, one of the reasons for the increase in the estimated expenditure under Programme (2) Airport Standards and Programme (3) Air Traffic Management is the salary increments for staff. In this connection, could the Government inform this Council:

- (a) of the number and ranks of the staff involved in the salary increments for staff; and the amount involved in 2003-04;
- (b) whether the department has the capacity to provide services of equal or better quality while absorbing the expenditure increased as a result of the salary increments; and
- (c) of the substantial saving effected by the pay cut of the civil servants in 2002-03 and whether it has offset part of the expenditure of (a) above?

Asked by: Hon. YIP Kwok-him

Reply: (a) For the estimates under Programme (2) Airport Standards and Programme (3) Air Traffic Management, the salary increments for staff amount to \$280,000 and \$2.4 million respectively and the number and ranks of the staff involved are listed below:

Programme (2) Airport Standards

<u>Ranks</u>	<u>No. of staff</u>
Assistant	1
Director-General	

Assistant	3
Clerical Officer	
Clerical	1
Assistant	
Clerical Officer	1
Chief Operations	1
Officer	
Operations	14
Officer	
Personal	1
Secretary II	
Senior Clerical	1
Officer	
Senior	4
Operations	
Officer	

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(3) Air Traffic Management

<u>Rank</u>	<u>No. of staff</u>
Assistant Director-General	1
Assistant Clerical Officer	1
Air Traffic Control Officer I	5
Air Traffic Control Officer II	33
Air Traffic Control Officer III	54
Air Traffic Flight Services Officer I	34
Air Traffic Flight Services Officer II	20
Air Traffic Flight Services Officer III	9
Clerical Assistant	1
Chief Air Traffic Control Officer	2

Clerical Officer	1
Executive Officer I	1
Personal Secretary II	3
Senior Air Traffic Flight Services Officer	3
Student Air Traffic Control Officer	25
	193
	193

- (b) CAD will seek to provide services of equal or better quality with less resources through better use of existing resources and enhancing efficiency and productivity, e.g. rationalising the maintenance services with a view to cutting the expenditure on maintenance of electrical and mechanical equipment without compromising safety standard.
- (c) The savings effected by the pay cut of the civil service in 2002 amount to \$13.44 million and have offset the expenditure on (a) above.

Signature _____

Name in block letters ALBERT K.Y. LAM

Post Title Director-General of Civil Aviation

Date 21.3.2003

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

Reply Serial No.

EDLB(ED)012

Question Serial No.

1273

Head : 28 Civil Aviation Department Subhead: 000 Operational expenses

Programme :

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

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: In 2002-03, CAD employed a total of 24 non-civil service contract staff, involving an expenditure of \$3.2m. In 2003-04, CAD do not expect to increase or reduce the employment of non-civil service contract staff.

Signature _____

Name in block letters ALBERT K.Y. LAM

Post Title Director-General of Civil Aviation

Date 20.3.2003

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

Reply Serial No.

EDLB(ED)013

Question Serial No.

1464

Head : 28 — Civil Aviation Department Subhead : 000 Operational expenses

Programme : (2) Airport Standards

Controlling Officer : Director-General of Civil Aviation

Director of Bureau : Secretary for Economic Development and Labour

Question : The provision under the Programme “Airport Standards” of the Civil Aviation Department for 2003-04 is increased by 13.1% over the previous year. This is mainly due to the full-year provision for vacancies filled in 2002-03. Please give an account of the details about the provision.

Asked by: Hon. TIEN Pei-chun, James

Reply: The increase in provision under Programme (2) “Airport Standards” for 2003-04 is mainly due to the full-year provision of \$1.06 m for vacancies filled in 2002-03. The details are as follows:

	<u>\$m</u>
Senior Operations Officer (one post)	0.61
Operations Officer (two posts)	0.45
	<hr/>
	1.06
	<hr/> <hr/>

Signature _____

Name in block letters _____ ALBERT K.Y. LAM

Post Title _____ Director-General of Civil Aviation

Date _____ 21.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)014

Question Serial No.

0340

Head: 42 EMSD

Subhead(No. & title): 000

Operational expenses

Programme: 1 – Energy supply; electrical, gas and nuclear safety

Controlling Officer: Director of Electrical and Mechanical Services

Director of Bureau: Secretary for the Economic Development and Labour

Secretary for the Environment, Transport and Works

Question :

According to the Analysis of Financial and Staffing Provision for Programme (1): Energy supply; electrical, gas and nuclear safety, the increased expenditure in 2003-04 is partly offset by the net deletion of 4 posts. Please list the ranks of those posts and the savings concerned.

Asked by: Hon. LI Fung-ying

Reply:

The posts identified for deletion include 2 Electrical and Mechanical Engineers, 3 Electrical Inspectors and 1 Workman II. Due to operational requirements, 2 Assistant Electrical Inspector posts will be created. The net savings is \$1.651m.

Signature

Name in block letters

Post Title

Date

ROGER S. H. LAI

Director of Electrical and Mechanical Services

21 March 2003

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

Reply Serial No.

EDLB(ED)015

Question Serial No.

0491

Head: 42 – EMSD

Subhead: 700 General other
non-recurrent

Programme: (1) – Energy supply; electrical, gas and nuclear safety

Controlling Officer: Director of Electrical and Mechanical Services

Director of Bureau: Secretary for Economic Development and Labour

Question :

Will the Government provide this Council with information about the following:

It is known that the report of the study on the electricity supply market for 2008 is completed and will be published this year. The Government has also conducted two related studies in the past. Will the Government provide a list detailing all costs of each study? Has the Government examined whether there is any duplication which leads to a waste of resources? Moreover, has the Government planned or commenced any preparatory work in accordance with the recommendations of the report so that the recommendations can be implemented earlier? If so, will the Government disclose the scope of the work concerned and has the Government reserved any resources for carrying out such work in the coming years? If not, why?

Asked by: Hon. CHAN Kam-lam

Reply:

We have just completed a technical study to identify possible engineering issues involved in increasing interconnection between the two power companies. This is a follow-up to an earlier feasibility study conducted in 1999 which concluded that, prima facie, overall economic benefits could be obtained if there was additional interconnection between CLP Power and HEC. There is no overlap or duplication in the scope of these two studies, and the expenditures incurred are \$4.254 million and \$3.45 million respectively for the 1999 and the present studies.

The Consultants have prepared a final draft report for the current study, and a detailed evaluation of the technical content is being conducted to verify the data provided by the two power companies upon which the Consultants based their engineering assumptions and projections.

Nevertheless, increasing interconnection involves matters going beyond technical issues. Business, legal, investment, financial, liability and regulatory issues are some of such issues which must also be addressed. The relevant findings of both studies will be taken into consideration in the context of drawing up the broad framework for the development of our electricity supply sector after 2008.

Signature

Name in block letters

Post Title

Date

ROGER S. H. LAI

Director of Electrical and Mechanical Services

21 March 2003

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

Reply Serial No.

EDLB(ED)016

**Question Serial
No.**

0958

Head: 42 - EMSD

Subhead (No. & title): 000 Operating
Expenses

Programme:

1. Energy Supply; electrical, gas and nuclear safety
2. Electrical engineering installations safety

Controlling Officer: Director of Electrical and Mechanical Services Department

Director of Bureau: Secretary for Economic Development and Labour

Secretary for Environment, Transport and Works

Question :

- (a) How many staff and recurrent cost could be reduced through the computerization exercise in EMSD?
- (b) From 2001 to now, the no. in handling electrical installers/contractors/competent person registration application and providing advice to enquiries/requests have significantly been reduced. To meet the service change, would EMSD re-deploy its human resource in order to ensure best utilization of the resource? During the staff redeployment exercise, how many staff and recurrent cost could be reduced. If not, what is the reason?

Asked by: Hon. TSANG Yok-sing, Jasper

Reply:

- (a) The new computer systems are for replacement of the existing computer systems which are obsolete and could not meet the demand due to increase in processing volume and other functions. The new computer systems will enhance system capacity to deal with increasing levels of workload (the existing system is no longer able to cope adequately) whilst at the same time produce real improvements in standards of service provided to the public. At this stage, benefits to be realised from future redeployment of staff, within this particular activity, are likely to be more fragmented and should be quantifiable subsequently, in the light of experience gained in operating the enhanced computer system.
- (b) The Electricity (Registration) Regulations stipulate that the registration certificates of Registered Electrical Contractors / Workers are valid for 3 years. Thus, there would be a peak in registration application every 3 years and the period from 2001 to 2002 was a peak period for registration. To cater for the increase in registration and enquiry workload and for the flexibility of staff deployment, the Electrical & Mechanical Services Department employed six temporary staff in the last peak period and they assisted in handling enquiries, preparation of mails and processing of computer data. After this exercise, the employment of these temporary staff has been terminated. The next registration and enquiry peak would occur in the period from 2004 to 2005. We anticipate that with the new computer systems in use, we would be able to cope with fewer temporary staff.

Signature

Name in block letters

Post Title

Date

ROGER S. H. LAI

Director of Electrical and
Mechanical Services

22 March 2003

Examination of Estimates of Expenditure 2003-
04

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

Reply Serial No.

EDLB(ED)017

**Question Serial
No.**

1527

Head: 42 EMSD

Subhead(No. & title): 000 Operating
Expenses

Programme: (1) – Energy supply; electrical, gas and nuclear safety

Controlling Officer: Director of Electrical and Mechanical Services

Director of Bureau: Secretary for Economic Development and Labour

Question :

- (a) With regard to “examination of options and mapping out the broad directions for the post-2008 electricity supply market structure”, will the Department provide a breakdown of the expenditure incurred for this item? What is the estimated expenditure for this item in 2003-04? What has the examination achieved so far? When will the examination be completed and policy decisions be made?
- (b) What are the details and effects of the “assessment of the planning / performance of the two power companies’ DSM programmes” conducted in the past year?

Asked by: Hon. LAU Chin-shek

Reply:

- (a) This item involves provisions for the setting up of a multi-disciplinary Electricity Team seconded to the Economic Development and Labour Bureau to assist in undertaking the electricity market review exercise. A total of \$10.595m has been spent up to 2002-03, and \$5.367m will be required in 2003-04. The team has conducted preliminary research into technical and economic regulation issues, including power system stability and reliability, planning, logistics and implementation of different market structures, modalities and systems of open and regulated markets etc. The Team has also met with regulatory authorities and other participants of the electricity supply sector in various overseas countries to understand their market restructuring and operating experiences. Having regard to overseas experience and the local situation, the Team aims to develop in good time a broad framework for the possible development of the electricity supply market in Hong Kong after 2008.
- (b) After the power companies submitted their second “Annual Programme Activity Status Report” in October 2002 which detailed the achievements of the DSM programmes that were implemented during the period from 1.7.2000 – 30.6.2002, EMSD assessed the reasonableness of the reported programmes data, such as estimated energy saving, capacity saving, cost-effectiveness and costs of respective programmes, and compared the data with that estimated in the power companies’ DSM Resource Plans to check the progress of programme implementation. EMSD also conducted site audits for samples of completed programme applications for verification of the energy and capacity savings that would be achieved by the concerned applications.

The assessment results concluded that the overall performance of the rebate programmes were in-line with the DSM Resource Plans’ estimates and the total estimated cumulative capacity saving of all power companies’ rebate programmes, i.e. 34 MW, has slightly exceeded the target saving of 33 MW.

Signature

Name in block letters

MR. ROGER S. H. LAI

Post Title

Director of Electrical and Mechanical Services

Date

21 March 2003

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

Head: 43 - Civil Engineering Department Subhead (No. & title):

Programme: (1) Tourism and Recreational Development

Controlling Officer: Director of Civil Engineering

Director of Bureau: Secretary for Economic Development and Labour

Question: The Civil Engineering Department plans to start construction of the public transport interchange and Government Landscaped Area at Penny's Bay in 2003-04. What is their respective estimated total cost? What beautification items will be included in the Government Landscaped Area?

Asked by : Hon. WONG Sing-chi

Reply: The construction cost of the public transport interchange and Government Landscaped Area (GLA) at Penny's Bay is estimated to be \$225 million and \$326 million respectively.

The GLA will be located next to the main gates of the Hong Kong Disneyland. It will serve as the passageway for entry into and exit from the theme park. Given its location and function, its aesthetics and greening should be compatible with its surrounding area. For this, apart from some infrastructural works, the construction of the GLA will require greening works.

The major design items in the GLA will be -

- (a) extensive greening. It will include hundreds of big trees and palm trees;
- (b) fountains of different sizes and design. The highlight will be a large, music fountain in the Grand Plaza of the GLA;
- (c) quality paving. Such paving at the focal points of the GLA will also have design resonant with the theme of the area; and
- (d) special lighting and signage. They will provide convenience to visitors and the design will be in tune with the theme of the GLA.

Signature _____

Name in block letters _____ T K TSAO

Post Title _____ Director of Civil Engineering

Date _____ 21 March 2003

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

Head: 43 - Civil Engineering Department

Subheads (No. & title):

Programme : (2) Port and Marine Facilities

Controlling Officer : Director of Civil Engineering

Director of Bureau : Secretary for Economic Development and Labour

Question : In Programme (2), the controlling officer's report mentioned that strategic overview of the enhancement works at Government piers and landing facilities would be carried out in 2003-04. Please advise the purpose, method of assessment, implementation schedule and expenditure of the overview.

Asked by : Hon. LAU Chin-shek

Reply : The purpose of the strategic overview is to determine a comprehensive plan for enhancing the facilities and aesthetics of existing Government piers and landings to match the use and development of the waterfronts where the facilities are located. The scope of assessment includes review of the structural, usage and surrounding conditions of the existing facilities, collection of public opinions and analysis of overseas design practices, in order to determine the details and priorities of the enhancement works. The overview commenced in end February 2003 and will be completed in mid-2004 at a cost of \$3.56M.

Signature _____

Name in block letters _____ T K TSAO

Post Title _____ Director of Civil Engineering

Date _____ 21 March 2003

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

Reply Serial No.

EDLB(ED)020

Question Serial No.

0806

Head : 100 — Marine Department Subhead: 000 Operational expenses

Programme : (2) Port Services

Controlling Officer : Director of Marine

Director of Bureau : Secretary for Economic Development and Labour

Question :

Among the matters requiring special attention in 2003-04, the Marine Department will establish control measures for emission of black smoke from vessels. What are the details? What is the schedule for establishing the control measures? What is the expected time of implementation? What resources will be involved?

Asked by : Hon. LAU Kin-ye, Miriam

Reply :

Under the Shipping and Port Control Ordinance (Cap. 313), “a vessel emitting smoke in such quantity as to be a nuisance” is an offence. The Director of Marine will advise operators of vessels found to be emitting excessive black smoke to rectify their engine condition. We are also preparing the necessary legislative amendments to adopt the Ringleman Chart Scale to identify smoke emission intensity as the basis for prosecution. This method has been adopted in the Air Pollution Control Ordinance (Cap. 311). Enforcement of the new regulation will be carried out by existing staff and no additional resources will be required.

Signature _____

Name in block letters S Y TSUI _____

Post Title Director of Marine _____

Date 21.3.2003 _____

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

Reply Serial No.

EDLB(ED)021

Head: 100 — Marine Department

Subhead:

Question Serial No.

1006

Programme : (2) Port Services
 (3) Local Services

Controlling Officer : Director of Marine

Director of Bureau : Secretary for Economic Development and Labour

Question :

Please provide :

- (a) the establishment and strength (as at 31 March 2003) for implementing the above programme areas by the following categories :
 - I. Ranks with starting pay at MPS 45 & above
(Including Directorate)
 - II. Ranks with starting pay at MPS 34 to 44
 - III. Ranks with starting pay at MPS 12 to 33
 - IV. Ranks with starting pay at MPS 11 & below
(Please provide breakdown by programme areas)
- (b) the number of posts (by ranks) already deleted or redeployed in 2002-03 to enhance productivity and optimize resources; and
- (c) the number of posts (by ranks) to be deleted or redeployed in 2003-04 to accomplish the Government's "3R1M" objective.

Asked by : Hon. CHOW LIANG Shuk-ye, Selina

Reply :

- (a) The establishment and strength (as at 31 March 2003) of various ranks of staff for implementing the Port Services Programme and Local Services Programme are as follows :

Port Services (Programme 2)

	<u>Establishment</u>	<u>Strength</u>
(I) Ranks with starting pay at MPS 45 & above	19	19
(II) Ranks with starting pay at MPS 34 to 44	15	15
(III) Ranks with starting pay at MPS 12 to 33	155	153
(IV) Ranks with starting pay at MPS 11 & below *	<u>233</u>	<u>231</u>
Total:	422	418

Local Services (Programme 3)

	<u>Establishment</u>	<u>Strength</u>
(I) Ranks with starting pay at MPS 45 & above	10	10
(II) Ranks with starting pay at MPS 34 to 44	1	1
(III) Ranks with starting pay at MPS 12 to 33	92	91
(IV) Ranks with starting pay at MPS 11 & below *	<u>214</u>	<u>212</u>
Total:	317	314

* Excluding ranks under Model Scale 1 Pay Scale

(As the activities of some sections/branches contribute towards more than one programme area, the above establishment and strength figures are an aggregation of the apportioned number of posts or staff in the relevant sections/branches.)

- (b) Three posts (two Marine Officers and one Senior Clerical Officer) under the above programme areas were deleted in 2002-03 to enhance productivity and optimize resources;
- (c) Two posts of Assistant Marine Controller under the above programme areas will be regraded to Marine Inspector II posts in 2003-04 in accordance with the Government's "3R1M" objective.

Signature _____

Name in block letters _____ S Y TSUI

Post Title _____ Director of Marine

Date _____ 21.3.2003

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

Reply Serial No.

EDLB(ED)022

Head: 100 — Marine Department

Subhead:
000 Operational expenses

Question Serial No.

1307

Programme :

Controlling Officer : Director of Marine

Director of Bureau : Secretary for Economic Development and Labour

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 number of non-civil service contract staff (NCSC) employed in 2002-03 is 81 and the expenditure involved is about \$11m.

For the year 2003-04, we plan to

- (i) employ an addition of 12 NCSC staff with a total expenditure of \$1.88m for the following purposes –
- four to oversee a special marine cleansing service;
 - eight to undertake duties such as harbour patrol, marine industrial safety, marine accident investigation, maintenance and statistical analysis; and
- (ii) cease employing eight NCSC staff involving a total of \$0.78m. Serving staff will be redeployed to perform their functions.

Signature _____

Name in block letters _____ S Y TSUI

Post Title _____ Director of Marine

Date _____ 21.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)023

Question Serial No.

0114

Head: 145 – Government Secretariat: Subheads:

Economic Development and Labour
Bureau (Economic Development
Branch)

177 – Subventions: Non-departmental
Public Bodies

22 – Agriculture, Fisheries and
Conservation Department

28 – Civil Aviation Department

31 – Customs and Excise Department

42 – Electrical and Mechanical Services
Department

43 – Civil Engineering Department

100 – Marine Department

168 – Hong Kong Observatory

429 & 955 Consumer Council

443 & 870 Hong Kong Tourism Board

- Programme:
- (2) Air and Sea Communications and Logistics Development
 - (3) Posts, Power, Competition Policy and Consumer Protection
 - (4) Public Safety
 - (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour (Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

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 /	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
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			completed)		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) Consultancy studies for which financial provision has been allocated respectively in 2001-02 and 2002-03:

2001-02

Head 145 – Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch)

Subhead 700 General other non-recurrent

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
McCluer Corporation	Bridging Project on the Competitive Strategy and Master Plan to Strengthen Hong Kong's Role as the Preferred International and Regional Transportation and Logistics Hub (Item013)	\$0.531 m	Completed	Reference will be made to the findings in formulating initiatives facilitating the development of logistics in Hong Kong, for example, the selection of a suitable site in North Lantau Island for the development of a Value Added Logistics Park	N.A.

GHK (Hong Kong) Ltd	Study on the Implications of South China Infrastructure Development on Cargo Flowing to and from Hong Kong (Item 011)	\$1.284 m	Completed	Findings will be fed into the study on Hong Kong Port - Master Plan 2020 Study	N.A.
Nexant, Inc./Global Strategies	Studies on issues in overseas markets relating to estimation of electricity load, demand trend analyses, organizational operating structures, financial analysis of utilities' capital and operating expenditures (Item 017)	\$1.475 m	Completed	Findings would be integrated into the overall evaluation of electricity supply operations	N.A.
Pacific Power International	Study on international practices and standards relating to electricity network operations and control mechanisms (Item 017)	\$0.398 m	Completed	Findings would be considered in the context of the overall electricity review	N.A.

Head 177 – Subventions: Non-departmental Public Bodies
Subhead 870 Hong Kong Tourism Board

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
City Planning Consultants Ltd. (lead consultant)	To study the improvement and further development of the Peak as a visitor attraction. (Item 107)	\$3.0 m	Completed	Based on the recommendations, the Tourism Commission (TC) has identified actionable projects and drawn up a plan for implementation both in short and medium terms.	N.A.
Shankland Cox Asia Ltd. (lead consultant)	To assess the tourism potential of the harbour and its waterfront. (Item 107)	\$2.5 m	Completed	The Government has adopted a number of short to medium term initiatives which will enable Hong Kong to realize the potential of Victoria Harbour for tourism purposes. These include implementation of the Tsim Sha Tsui Beautification project, the development of a harbour lighting plan and the grant of a licence to operate a harbour tour service.	N.A.

Head 28 – Civil Aviation Department
Subhead 149 General departmental expenses

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
MVA Hong Kong Limited	Helicopter Traffic demand and heliport development (Item 549)	\$3.38 m	Completed	The Government is studying the recommendations in the consultancy report.	N.A.

Head 42 – Electrical and Mechanical Services Department
Subhead 700 General other non-recurrent

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
Nexant, Inc.	Site audit of equipment installation under the rebate scheme of the DSM Programme Phase 1 (Item 692)	\$0.5 m	Completed	Findings taken up with power companies to improve implementation of the DSM Programmes	N.A.
Nexant, Inc.	Detailed assessment of technical matters to include electricity supply reliability, maximum demand and engineering operations (Items 695 and 711)	\$0.94 m	Completed	Findings would be considered in the context of regular monitoring of the technical performance of the two power companies.	N.A.
Mott Connell Ltd.	Technical feasibility study of increasing interconnection to study transfer capacity, system stability, load flow, routing and engineering issues relating to reliability of electricity supply (Item 700)	\$3.61 m	In progress	Technical findings would need to be considered in the context of important wider aspects to include business, financial, legal, liability and regulatory issues.	N.A.

Head 100 – Marine Department
Subhead 700 General other non-recurrent

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
Hong Kong Polytechnic University Technology & Consultancy Company Limited	Manpower survey on the demand for the personnel having sea-going experience of the port, maritime and related industries in Hong Kong (Item 549)	\$0.8 m	Finished	The Hong Kong Port and Maritime Board has considered the study report. The industry has set up a task force with the participation of Marine Department to consider ways to take forward the recommendations of the study.	N.A.

2002-03

Head 145 – Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch)

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
Accenture Company Limited	Study for the Development of a Digital Trade and Transportation Network (DTTN) System to Support the Development of Hong Kong as the proposed transportation and logistics hub (Item 018)	\$4.998 m	Completed	The findings form the basis for Government to work with the logistics stakeholders to facilitate the early development of the DTTN System.	N.A.
GHK (Hong Kong) Limited	Study on Hong Kong Port – Master Plan 2020 (Item 019)	\$7.94 m	In Progress	—	N.A.

Head 177 – Subventions: Non-departmental Public Bodies
Subhead 443 Hong Kong Tourism Board

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
Pannell Kerr Forster Consultants Pvt. Ltd / The Gallup Organization	To conduct a study to obtain a better understanding of the needs and expectations of Indian visitors.	\$276,900	Completed	The findings were used by Hong Kong Tourism Board (HKTB) and the trade to develop marketing plans for the Indian market.	N.A.
Bermello, Ajamil & Partners, Inc	To study business strategy development (i.e. market potential forecasting and business strategy recommendation) of the cruise market.	\$637,806	Completed	HKTB has set up a committee called 'Hong Kong Cruise Forum' comprising the TC and key players of the cruise industry to work together to promote further market development, taking into account recommendations of the study. In addition, the Administration has taken into account the findings of the study while formulating the implementation framework for the development of the tourism node with a new cruise terminal at Southeast Kowloon.	N.A.

Head 28 – Civil Aviation Department
Subhead 000 Operational expenses

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
European Committee for Aircrew Scheduling and Safety	Study on flight time limitation for ultra-long range flights (Item 549)	Euro 12,500 (Equivalent to about HK \$104,000)	Completed in June 2002	The Flight Time Limitation Working Group under Civil Aviation Department will study the recommendations in the report.	N.A.

Head 42 – Electrical and Mechanical Services Department
Subhead 700 General other non-recurrent

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
Nexant, Inc.	Site audit of equipment installation under the rebate scheme of the DSM Programme Phase 2 (Item 692)	\$0.314 m	Completed	Findings taken up with power companies to improve implementation of the DSM Programmes	N.A.
Nexant, Inc.	Detailed assessment of technical matters to include electricity supply reliability, maximum demand and engineering operations (Items 695 and 711) (Item 717)	\$1.3 m \$1 m	Completed In progress	Findings would be considered in the context of regular monitoring of the technical performance of the two power companies.	N.A.

(2) 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:

2002-03

Head 145 – Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch)

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
Laservision Macro-Media Pty Ltd and Associates	To develop a Harbour Lighting Plan (Subhead 149 Item 549)	\$999,928	Completed	To demonstrate some of the modern, energy-saving techniques recommended for the plan, the TC staged a multi-media sound and light show at Hong Kong Cultural Centre piazza over the Chinese New Year. Over 180,000 spectators attended the show and the response has been very positive. The TC will work with the private sector to take forward the Harbour Lighting Plan.	N.A.
Hong Kong Polytechnic University	To look into the tourism potential of the Northern New Territories, with an emphasis on green and cultural tourism (Subhead 149 Item 549)	\$484,724	Completed	The TC will consult the relevant District Councils and stakeholders on the study report's findings and recommendations in April 2003 prior to implementation.	N.A.
IBM Consulting	Study on Enhancing the Cost Competitiveness of Small and Medium-sized Enterprises in the Transport and Logistics Sector (Subhead 700 Item 018)	\$1.7 m	Completed	The SME Project Group of the Logistics Development Council has reviewed the report and will develop proposals to assist SMEs	N.A.

Head 177 — Subventions: Non-departmental Public Bodies
Subhead 443 Hong Kong Tourism Board

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
Hay Group Limited	In response to the Government's review of the remuneration of selected statutory bodies, HKTB is conducting a review on the remuneration level and strategy for all its Head Office staff.	\$655,500	The Study is in its final stage.	Upon HKTB's submission of the review report, the Government will assess HKTB's recommended way forward on remuneration policies and strategies.	N.A.
Pannell Kerr Forster Consultants Pvt. Ltd / The Gallup Organization	To examine the image and perception of Hong Kong as a travel destination.	\$3.63 m	Fieldwork is now in progress. The study will be completed in mid 2003.	On the basis of the findings, HKTB will prepare their new marketing campaign for 2004-05. The Government will work with the HKTB on the way forward to promote Hong Kong.	N.A.

(3) Financial provision has been allocated for commissioning the following consultancy studies in 2003-04 :

Head 145 – Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch)
Subhead 700 General other non-recurrent

Name of consultants (if available)	Description	Consultancy fees	Status of consultancy studies (planning/ in progress / completed)
N.A.	To engage a consultant to advise on competition issues in other economies (Item 014)	\$0.45 m has been reserved in 2003-04	The fund reserved is for conducting studies on selected topics when necessary. We have no plan to conduct such studies for the time being.
To be determined	Study of specific issues relating to the electricity supply industry. (Item 017)	To be determined.	Planning

Head 177 – Subventions: Non-departmental Public Bodies
 Subhead 443 Hong Kong Tourism Board

Name of consultants (if available)	Description	Consultancy fees	Status of consultancy studies (planning/ in progress / completed)
To be determined	To develop a five-year planning framework for HKTB's strategy for 2004 – 2008 (i.e. vision and mission of HKTB, and business strategy recommendations).	To be determined	The study brief is being developed.
To be determined	HKTB shall conduct a salary and benefits review of all positions in their worldwide offices.	To be determined	The study will commence in second quarter of 2003.

Head 42 – Electrical and Mechanical Services Department
 Subhead 700 General other non-recurrent

Name of consultants (if available)	Description	Consultancy fees	Status of consultancy studies (planning/ in progress / completed)
Nexant, Inc.	Detailed assessment of technical matters to include supply reliability, maximum demand and engineering operations to support regular monitoring of the technical performance of the two power companies (Items 711 and 717)	\$1.315 m	Planning

Head 100 – Marine Department
 Subhead 000 Operational expenses

Name of consultants (if available)	Description	Consultancy fees	Status of consultancy studies (planning/ in progress / completed)
Hong Kong Polytechnic University Technology and Consultancy Company Limited	Fatigue Study on the working hours, patterns and limitations for officers on High Speed Craft in Hong Kong	\$0.55 m	In Progress
To be determined	Study on Marine Traffic Risk Assessment for Hong Kong Waters	To be determined	Planning

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 21.3.2003

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

Reply Serial No.

EDLB(ED)024

Head: 145 – Government Secretariat: Subhead:
Economic Development and Labour
Bureau (Economic Development Branch)

Question Serial No.

0175

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

On facilitating the development of a Digital Trade and Transportation Network system,

- (a) what is the Government's main scope of work and work schedule as far as the project is concerned?
- (b) what is the Government's estimate of the amount of money needed for the development of the whole project and what is the commitment for 2003-04 in respect of the project?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) Government will continue to take the lead and explore with the logistics industry to facilitate the early development of the Digital Trade and Transportation Network System. We will also seek the view of the logistics industry on the development and investment interest in the system through the Hong Kong Logistics Development Council.
- (b) No specific funding has been allocated for this project. We are using existing resources to take the project forward.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary
for Economic Development and Labour
(Economic Development)

Date _____ 21.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)025

Head: 145 — Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead:

Question Serial No.

0361

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question: Under Matters Requiring Special Attention in 2003-04, it is stated that the Harbour Lighting Plan for Victoria Harbour will be implemented. How much provision has been allocated for this plan and what is the detail?

Asked by: Hon. YOUNG, Howard

Reply: The Harbour Lighting Plan covers special lighting treatment to private and government buildings along both sides of the harbour with interactive sound and light effects. The Government will take forward the Plan in partnership with the private sector. We are drawing up detailed proposals including the lighting required for a small number of government buildings and resources requirement.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 21.3.2003

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

Reply Serial No.

EDLB(ED)026

Head 145 — Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead:

Question Serial No.

0362

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

How much resource has been allocated for working with Ocean Park to formulate its strategic development plan? What is the detail of the plan?

Asked by: Hon. YOUNG, Howard

Reply:

The Government is actively assisting Ocean Park (OP) in its review of the Park's long term development strategy. We have established a high level task force to provide the policy steer and to coordinate work on the future development of OP and the Aberdeen Harbour tourism node. We will further review the opportunities for developments surrounding the Park when there is a clearer picture on its future development.

The OP's Board is leading the review to formulate the Park's strategic development plan. The review will be funded by OP. The Government will work closely with the Park in the exercise. We will inform Members when details of the plan are available.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 20.3.2003

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

Reply Serial No.

EDLB(ED)027

Head: 145 — Government Secretariat: Subhead:
Economic Development and Labour Bureau
(Economic Development Branch)

Question Serial No.

0363

Programme : (5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

How much provision has been allocated to develop a framework for developing a Tourism Node with a new modern cruise terminal at Southeast Kowloon? What is the detail of the framework and when will it be completed?

Asked by : Hon. YOUNG, Howard

Reply :

Using existing resources, we are now drawing up the implementation framework for the proposed development of the Tourism Node and Cruise Terminal at Southeast Kowloon. Our target is to advance the completion of the Cruise Terminal from 2015-16 to the end of 2009.

We will brief LegCo when details of the proposed implementation framework is available in 2003.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour

(Economic Development)

Date 20.3.2003

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

EDLB(ED)028

Head: 145 — Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead:

Question Serial No.

0426

Programme: (5) Travel and Tourism

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question: It is stated that visitor signage will be extended to other districts in Hong Kong. What is the number of signage that has been established currently? How much resource has been allocated for the extension?

Asked by: Hon. YOUNG, Howard

Reply: To make Hong Kong a visitor friendly destination, the Tourism Commission has been implementing a territory-wide "Visitor Signage Improvement Scheme" by phases. So far, three mapboards and 322 directional signs have been installed in nine districts. Installation of further 848 directional signs, 24 identification signs and 35 mapboards for other districts will be completed by end 2003. The total project cost amounts to about \$48 million.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 21.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)029

Question Serial No.

0427

Head : 145 – Government Secretariat: Economic Subhead :
Development and Labour Bureau (Economic
Development Branch)

Programme : (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Bureau Secretary : Secretary for Economic Development and Labour

Question : To expand Hong Kong's air services network, will the Administration inform this Committee how much resources will be allocated for conducting negotiations on Air Services Agreements in 2003/04 and what is the target set for the coming fiscal year?

Asked by: Hon. YOUNG, Howard

Reply: The Government will continue to expand Hong Kong's air services network through negotiating air services agreements with new partners as well as expanding current air services arrangements with existing partners. The allocation to the Aviation Division in the Economic Development Branch in 2003/04 for performing all aviation-related responsibilities, including conducting air services negotiations, is \$16.3 million. This includes staff cost and related operating expenses. We will continue to exercise flexibility in the deployment of resources within the Aviation Division to conduct air services negotiations, taking into account opportunities presented by market developments, local airlines' expansion plan and requests from our aviation partners.

We will maintain an annual target of conducting negotiations or reviews of at least 15 bilateral air services agreements or arrangements in 2003/04.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 21.3.2003

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

Reply Serial No.

EDLB(ED)030

Head: 145 — Government Secretariat: Subhead: 700 General other
Economic Development and Labour non-recurrent
Bureau (Economic Development Branch) Item 019

Question Serial No.

0630

Programme :

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Regarding the Study on Competitive Strategy and Master Plan for the Time Definite Sector in the Supply Chain, will the Government inform this Council of

- (1) the progress and the completion date of this study?
- (2) the content and the preliminary results of this study as well as the follow-up actions to be taken by the Government?

Asked by : Hon. LI Wah-ming, Fred

Reply :

- (1) The port is a major service provider in the time definite sector of the supply chain. To further enhance its important role in this sector, we have commissioned the Study on Hong Kong Port - Master Plan 2020 in 2002. The study is to be completed by the end of 2003.
- (2) The objective of the Study is to formulate a competitive strategy and sustainable master plan for port development, including the examination of key factors affecting cargo generation and routing, and where and when the Container Terminal 10 is to be developed. The Administration will review the findings upon completion of the Study.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 21.3.2003

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

Reply Serial No.

EDLB(ED)031

Head: 145 – Government
Secretariat: Economic
Development and Labour
Bureau (Economic Development
Branch)

Subhead: 700 General other
non-recurrent
Item 014

Question Serial No.

0631

Programme :

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question : The Government has spent \$300,000 in 2002-03 to engage a consultant to advise on competition issues in other economies. Please provide details of the advice given to the Government by the consultant. According to the estimate of the Government, how much resources are still required in 2003-04 to engage similar consultancy services?

Asked by : Hon. LI Wah-ming, Fred

Reply :

The provision was for conducting specific studies as and when necessary. No study was commissioned in 2002-03. In 2003-04, we have made a provision of \$450,000 for such studies but do not as yet have specific plan.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 20.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)032

Head: 145 — Government Secretariat: Subhead: 700 General
Economic Development and Labour other non-recurrent
Bureau (Economic Development Branch) Item 017

Question Serial No.

0632

Programme :

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

In 2002-03, the Government spent over \$1m on the “Consultancy studies for developing the regulatory and market restructuring framework of electricity supply industry in Hong Kong”. What are the details and findings of the studies?

Asked by : Hon. LI Wah-ming, Fred

Reply :

The amount is the balance of payment for three consultancies completed in 2002-03 to study the practices and experience of electricity supply industries in North America, Europe, Australia, New Zealand, Singapore and Japan with regard to demand forecasting, electricity costs and network operations. The findings indicated that there were substantive variations in the regulatory practices adopted depending on the market development and operating structures of the respective electricity markets. These findings will provide useful background information for the electricity market review.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 21.3.2003

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

Reply Serial No.

EDLB(ED)033

Head: 145 — Government Secretariat: Economic Subhead:
Development and Labour Bureau (Economic
Development Branch)

Question Serial No.

0633

Programme : (3) Post, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

In 2003-04, the Economic Development Branch will have to pay special attention to several issues, including the follow-up of the future development of our local gas market and monitoring the supplies of natural gas from Shenzhen. In this regard, would the Government provide the following information :

- (1) the projected amount of financial provision required; and
- (2) the details of the initiatives?

Asked by : Hon. LI Wah-ming, Fred

Reply :

One key factor for the development and introduction of natural gas to Hong Kong at the household level is the availability of reliable, secure and affordable supply. We will continue to monitor the development of supply sources close to Hong Kong and conduct further detailed studies as appropriate. We will use existing resources in 2003-04 to collect information on overseas gas markets.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 21.3.2003

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

EDLB(ED)034

Head 145 – Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead:

Question Serial No.

0635

Programme : (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question : As regards the monitoring of the Post Office Trading Fund, what measures will be taken in 2003-04 to ensure its successful operation? What are the performance indicators? What results has the monitoring work in 2002-03 delivered?

Asked by : Hon. LI Wah-ming, Fred

Reply :

In 2003-04, the Government will continue to monitor closely the operation of the Post Office Trading Fund (POTF) to ensure that it maintains high quality customer service and remains efficient. Regular reviews will be carried out with the POTF on its operation, business development and cost-cutting/revenue-generating measures. The relevant performance indicator, according to section 3(2)(b) of the Trading Fund Ordinance, is that the income of the POTF shall, within a reasonable time, meet expenses incurred in the provision of service and finance liabilities specified in the resolution passed by the Legislative Council in setting up the POTF. In 2002-03, the Post Office has received numerous awards on its customer service and with its various cost-cutting and efficiency improvement measures expects a breakeven in its operating budget despite a reduction in revenue.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 21.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)035

Head: 145 — Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead:

Question Serial No.

0636

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

How much resources is expected to be committed for the year 2003-04 regarding the studies on overseas gas markets and projected local gas demand? What are the details of the planned studies?

Asked by: Hon. LI Wah-ming, Fred

Reply:

One key factor for the development and introduction of natural gas to Hong Kong at the household level is the availability of reliable, secure and affordable supply. We will continue to monitor the development of supply sources close to Hong Kong and conduct further detailed studies as appropriate. We will use existing resources in 2003-04 to collect information on overseas gas markets.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 21.3.2003

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

Reply Serial No.

EDLB(ED)036

Head: 145 — Government Secretariat: Subhead: 700 General
Economic Development and Labour other non-recurrent
Bureau (Economic Development Item 015
Branch)

Question Serial No.

0637

Programme :

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question : With reference to the item “To enhance public awareness of the work of the Competition Policy Advisory Group (COMPAG)”, what programmes have the COMPAG included in its work plan for the financial year 2002-03? What programmes of work are expected to be introduced in the financial year 2003-04?

Asked by : Hon. LI Wah-ming, Fred

Reply :

In 2002-03, the Competition Policy Advisory Group (COMPAG) included the following in its work plan to enhance public awareness of its work:

- (1) publication of COMPAG Report 2001-2002 – copies of the Report have been distributed to the Legislative Council, District Councils, Chambers of Commerce, overseas offices, tertiary institutions. They have also been made available to the general public at the various Public Enquiry Service Centres of the Home Affairs Department; and
- (2) launch of the COMPAG website – the website was launched in October 2002 to provide information on the work of COMPAG and the Government's policy on competition. The competition-related publications are also available at the website for the public's easy access.

In 2003-04, the work to be carried out by COMPAG will include:

- (1) promoting and enhancing the understanding of Hong Kong's policy on competition and about the work of COMPAG among students, the youth and the business community, and encouraging the business sector to comply with guidelines issued by the Government to promote competition;

- (2) identifying policy and/or measures that may not be fully compatible with our competition policy, and reviewing the scope for improvement;
- (3) keeping track of competition-related cases or complaints received from different sources and reviewing, on a need basis, those cases which have policy or systemic implications; and
- (4) monitoring trends and developments in discussions on competition policy in international fora that may have a bearing on Hong Kong. We will participate in the World Trade Organisation (WTO) discussion in 2003-04 on whether the WTO would proceed to launch negotiation on trade and competition.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 21.3.2003

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

Reply Serial No.

EDLB(ED)037

Head 145: Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead:

Question Serial No.

0638

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Regarding the funding arrangement for the Competition Policy Advisory Committee (COMPAG), will the Government provide information on:

- (1) the revised expenditure of the COMPAG in the financial year 2002-03; the difference between the revised expenditure and the original estimate; and the reasons of having such a difference (if any) between the two (i.e. expenditure and estimated expenditure)?
- (2) the number of policy areas that the COMPAG has reviewed in the financial year 2002-03; and the details of the items under review?
- (3) the amount of resources committed by the Government for following up competition-related complaints and cases in the financial year 2002-03; the number of cases and complaints that have been followed up; and the breakdown of the nature of such complaints and cases?

Asked by : Hon. LI Wah-ming, Fred

Reply :

- (1) Resources required to support the COMPAG have been included in the overall provision for competition policy under the Economic Development and Labour Bureau and cannot be readily and separately quantified. Details of the funding earmarked for specific purposes such as consultancy studies and publicity are set out under Subhead 700.
- (2) The COMPAG is a high-level and dedicated forum to review competition-related issues which have substantial policy or systemic implications. In 2002-03, COMPAG reviewed the following policy issues –
 - (i) **Competition in the supply chain of pork**
The COMPAG examined the operation and extent of competition in the various components of the supply chain of the local pork market, including import, wholesale and distribution. The COMPAG concluded that there was a free play of market forces in the local pork market, with no restriction on the origin of live pigs, chilled pork and frozen pork and on the quantity of imported live pigs and live pigs supplied by local farms. The relevant report was released in December 2002 and

the Government had briefed the Legislative Council Panel on Food Safety and Environmental Hygiene on the relevant findings.

(ii) **Role of the Hong Kong Productivity Council (HKPC) in supporting the information technology (IT) industry**

The COMPAG reviewed the role of the HKPC in supporting the IT industry and examine whether the provision of IT services by the HKPC would constitute unfair competition to private companies. The COMPAG agreed that HKPC's support to the IT sector should be focused on improving the quality, capacity and productivity of IT service providers. In addition, the HKPC would review those non-essential services which might be construed to be in competition with the private sector.

(iii) **Allocation of clinics in public housing estates**

Having reviewed the arrangements for the allocation of clinics in public housing estates, the COMPAG agreed that the existing arrangements to let clinics through open tender was fair, open and transparent. To further enhance transparency and facilitate the trade in submitting bids, the COMPAG agreed to the Hong Kong Housing Authority's (HKHA) proposal to make available to the public more relevant information including details of the premises and the rents of successful bids in the preceding six months, through the HKHA's website.

(iv) **Trades permitted in public housing estates**

The COMPAG reviewed the arrangements for the letting of commercial premises in public housing estates and agreed to the new guidelines promulgated by the Hong Kong Housing Authority which allowed trades not on the list of permitted trades to bid for commercial premises in the shopping centres of individual public housing estates.

Details of these issues will be included in the COMPAG Report 2002-03.

- (3) In accordance with the "Statement on Competition Policy" promulgated by the Government, each government bureau and department is responsible for nurturing and sustaining competition in the sectors under their respective purviews, and taking follow-up actions on relevant complaints and cases. We do not therefore keep separate statistic on resources deployed by the various bureaux and departments for the handling of competition-related complaints. For complaints and cases which have substantial policy or systemic implications, the relevant bureau and department will seek advice from the COMPAG. In 2002-03, the COMPAG has thus far considered a total of 17 such complaints and cases, details of which will later be published later in the COMPAG Report 2002-03, and be uploaded to the COMPAG website for public access.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary
for Economic Development and Labour
(Economic Development)

Date 21.3.2003

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

Reply Serial No.

EDLB(ED)038

Head: 145 — Government Secretariat: Subhead: 000 Operational
Economic Development and Labour expenses
Bureau (Economic Development Branch)

Question Serial No.

0807

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Under this programme,

- (a) what are the specific measures to improve efficiency in existing port operations?
- (b) what are the specific measures to assist SMEs to develop a DTTN system?

Asked by: Hon. LAU Kin-yee, Miriam

Reply:

- (a) The Bureau will continue to pursue initiatives to strengthen Hong Kong's position as a leading port and transportation and logistics hub. On port development, we are conducting the Study on Hong Kong Port – Master Plan 2020 to formulate a long-term sustainable strategy and master plan. The Study will examine the key factors affecting cargo generation, cargo handling and cargo routing. To further enhance the overall competitiveness of the Hong Kong container port, the Study will assess the location for Container Terminal 10 and related infrastructure, the type and the programme for the terminal to be developed and recommend the most appropriate institutional arrangement.

Furthermore, the Marine Department is developing an Electronic Business System (eBS) which will enable ship masters or their agents to electronically submit port formality documents round the clock by means of an internet-based platform. The system does not require additional investment from shipping companies and will enhance operational efficiency and reduce operating costs by eliminating manual submission of port formality documents. The system will be operational by end of 2003.

- (b) The Bureau is exploring with the logistics industry to facilitate the early development of the Digital Trade and Transportation Network (DTTN) System, and securing the participation of stakeholders in the supply chain, in particular the SMEs when the System is in place. The Hong Kong Logistics Development Council is also considering measures to encourage SMEs to adopt advance IT applications through utilization of Government funding schemes for SMEs.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 21.3.2003

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

Reply Serial No.

EDLB(ED)039

Head: 145 — Government Secretariat: Subhead:
Economic Development and Labour
Bureau (Economic Development Branch)

Question Serial No.

0909

Programme: (2) Air and Sea Communications and Logistics Development

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Does the Economic Development and Labour Bureau have any plan to assist the local business sector in negotiating with the shipping companies for a reasonable level of terminal handling charges in 2003-04? If yes, what are the resources involved?

Asked by: Hon. TING Woo-shou, Kenneth

Reply:

Shipping companies on major trade routes have formed conferences or agreements to agree on the freight rates and the terminal handling charges in order to provide a stable shipping service to facilitate international trade. The terminal handling charge is a commercial matter between the shipping lines and the shippers. The mechanism for setting the terminal handling charge follows the international practice. As shipping companies and the container terminals in Hong Kong are private enterprises, the government has no direct or indirect investment nor involvement in their management. The role of the government is to liaise with the concerned parties to seek to improve transparency in the setting of terminal handling charge through dialogue and consultation. Recently we have met with the representatives of shipping agreements. They have indicated no immediate plan to increase the terminal handling charge. The Government's efforts are on-going and do not involve additional or specific allocation of resources.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary for Economic Development
and Labour (Economic Development)

Date _____ 21.3.2003

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

Reply Serial No.

EDLB(ED)040

Head 145: Government
Secretariat: Economic
Development and Labour
Bureau (Economic Development
Branch)

Subheads (No. & title):
000 Operational Expenses

Question Serial No.

1101

Programme : (1) Director of Bureau's Office
(2) Air and Sea Communications and Logistics Development
(3) Posts, Power, Competition Policy and Consumer Protection
(4) Public Safety
(5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Regarding the operational expenditure, will the Government inform this Council:

(1) of the initiatives covered by the additional operational expenses and the breakdown of additional expenses required by the initiatives in view of the fact that the operational expenses will increase to \$106.67 million for 2003-04, representing an increase of about 11% as compared with 2002-03?

(2) of the reasons why the general departmental expenses for 2002-03 which amount to \$ 18.9 million , have increased by over \$5 million as compared with 2001-02?

Asked by : Hon. LI Wah-ming , Fred

Reply :

(1) Provision of \$106.67 million under Subhead 000 Operational Expenses is for the salaries and allowances of staff of the Economic Development Branch and its other operating expenses. The increase of 11% over the revised estimate for 2002-03 is mainly due to :

- (a) expenditure on the salaries and allowances of the Secretary for Economic Development and Labour and staff of his Office and other related operating expenses (\$4.25 million);
- (b) expenditure on initiatives related to port and logistics such as the commission of a joint study with the State Development and Planning Commission on logistics co-operation and the launching of targeted promotions for port and logistics development. Required provision for implementing initiatives related to port

and logistics has been reflected in the recurrent estimates of expenditure for 2003-04, which we hitherto acquired in the past years under the non-recurrent account (\$4.7 million);

- (b) full-year provision for posts filled in 2002–03 and expected to be filled in 2003-04 (\$0.69 million); and
 - (c) expenditure on employment of 4 non-civil service contract (NCSC) staff in 2003-04. The additional NCSC staff will mainly be deployed to assist in implementing tourism-related initiatives (\$1.03 million).
- (2) The revised estimate of \$18.9 million under Subhead 149 General Departmental Expenses in 2002-03 represents an increase of \$5.46 million over the actual expenses in 2001-02. This is mainly due to :
- (a) full-year provision for the Electricity Advisor and employment of non-civil service contract Staff to undertake tourism-related projects (\$ 4 million); and
 - (b) hiring of professional services for tourism-related studies, such as study on lighting harbour and consultancy study on the development of tourism in the Northern New Territories (\$1.5 million).

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 21.3.2003

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

EDLB(ED)041

Head 145 — Government

Subhead:

Question Serial No.

Secretariat: Economic

000 Operational Expenses

1112

Development and Labour

Bureau (Economic Development
Branch)

Programme : (2) Air and Sea Communications and Logistics Development
(3) Posts, Power, Competition Policy and Consumer Protection
(5) Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

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 Economic Development Branch employed 12 non-civil service contract (NCSC) staff in 2002-03, involving an expenditure of \$6.13 million. We plan to employ four additional NCSC staff in 2003-04 with an expenditure of about \$1.03 million. The additional staff will mainly be deployed to assist in implementing tourism-related initiatives.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 21.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)042

Head: 145 — Government Secretariat: Subhead:
Economic Development and Labour
Bureau (Economic Development Branch)

Question Serial No.

1452

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Will the Government inform this Council of the expenses involved in the studies on overseas gas markets and projected local gas demand, the progress of the studies and the preliminary findings? Has the Government estimated the scale of the infrastructure and resources required if natural gas is imported to Hong Kong?

Asked by: Hon. CHAN Kam-lam

Reply:

One key factor for the development and introduction of natural gas to Hong Kong at the household level is the availability of reliable, secure and affordable supply. We will continue to monitor the development of supply sources close to Hong Kong and conduct further detailed studies as appropriate. We will use existing resources in 2003-04 to collect information on overseas gas markets.

We do not have any plan at this stage to study in detail the infrastructure requirements for the importation and introduction of natural gas to Hong Kong at the household level.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 21.3.2003

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

Reply Serial No.

EDLB(ED)043

Head: 145 — Government Secretariat: Subhead: 000 Operational
Economic Development and Labour expenses
Bureau (Economic Development
Branch)

Question Serial No.

1521

Programme : (2) Air and Sea Communications and Logistics Development

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

How many manpower and resources will be allocated and what measures will be taken by the Economic Development and Labour Bureau in 2003-04 to facilitate the development of a DTTN System to enhance speed and reliability in the exchange of information and data among participants in the supply chain?

Asked by : Hon. TING Woo-shou, Kenneth

Reply :

The Bureau will continue to take the lead to facilitate the early development of the Digital Trade and Transportation Network System by private sector. We will also seek the views of the logistics industry on the development and investment interest in the system through the Hong Kong Logistics Development Council. No specific funding has been allocated for this project. We are using existing resources to take the project forward.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary
for Economic Development and Labour
(Economic Development)

Date _____

21.3.2003

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

EDLB(ED)044

Head: 145 — Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead:

Question Serial No.

1528

Programme: (3) Posts, Power, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

What are the details of and the timeframe for undertaking “initial studies on overseas gas markets and projected local gas demand”? Is there any provision earmarked for conducting studies on introducing a common carrier system to bring competition to the domestic gas fuel market in the coming year?

Asked by: Hon. LAU Chin-shek

Reply:

One key factor for the development and introduction of natural gas to Hong Kong at the household level is the availability of reliable, secure and affordable supply. We will continue to monitor the development of supply sources close to Hong Kong and conduct further detailed studies as appropriate. We will use existing resources in 2003-04 to collect information on overseas gas markets.

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 21.3.2003

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

Reply Serial No.

EDLB(ED)045

Head: 145 – Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead:

Question Serial No.

1529

Programme: (3) Posts, Power, Competition Policy and consumer Protection

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question:

Regarding the interim review of the Scheme of Control Agreement with the two power companies and the regulatory methods after 2008, what progress has been made by the multi-disciplinary team established by the Government? What is its work plan for 2003-04?

Asked by: Hon. LAU Chin-shek

Reply:

Pursuant to the Scheme of Control Agreement (SOC), an Interim Review of the operation and implementation of the SOC is to be conducted in 2003. It will cover issues relating to financial, technical, environmental and administrative aspects.

With regard to the post-2008 electricity market review, the multi-disciplinary team set up for the purpose has conducted preliminary research into technical, economic and regulation issues, including power system stability and reliability, planning, logistics and implementation of different market structures, modalities and systems of open and regulated markets, etc.

The team has also conducted research on the regulatory authorities and other participants in the electricity supply sector in various overseas markets to understand the market restructure and operating experiences. Having regard to overseas experience and the local situation, the team aims to develop in good time a broad framework for the possible development of the electricity supply market in Hong Kong after 2008.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____
Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 21.3.2003

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

Reply Serial No.

EDLB(ED)046

Head: 145 — Government Secretariat:
Economic Development and Labour
Bureau (Economic Development Branch)

Subhead: 700 General
other non-recurrent

Question Serial No.

1530

Programme :

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

Please provide detailed information on the scope, timeframe etc. of the studies covered by Items 014 and 019 under Subhead 700.

Asked by : Hon. LAU Chin-shek

Reply :

The provision for Subhead 700 Item 014 is for engaging consultants to conduct specific studies, as and when necessary, on competition issues in other economies. We do not have a concrete study plan at this stage.

For Item 019, we have commissioned the Study on Hong Kong Port - Master Plan 2020 in 2002. The objective of the Study is to formulate a competitive strategy and sustainable master plan for port development, including the examination of where and when the Container Terminal 10 is to be developed, and key factors affecting cargo generation and routing. The Study is to be completed by the end of 2003.

Signature _____

Name in block letters _____

MS SANDRA LEE

Post Title _____

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____

21.3.2003

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

Reply Serial No.

EDLB(ED)047

Head: 145 — Government Secretariat:
Economic Development and Labour Bureau
(Economic Development Branch)

Subhead:

Question Serial No.

1535

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau: Secretary for Economic Development and Labour

Question: Following the implementation of the Accountability System, a new Programme (1) Director of Bureau's Office with relevant estimated expenses is introduced for all policy bureaux in their budgets for the year 2003-04, with a view to ensuring the smooth operation of the offices of the Bureau Directors.

- (1) With regard to the estimated expenses of the offices of the Policy Bureau Directors, please provide a detailed breakdown by (a) purpose (including the planning, co-ordination and implementation of all arrangements for the Secretary's public, media and community functions); (b) items (salaries and establishment, allowances, job-related allowances and departmental expenses);
- (2) Please provide a comparison between the expenditure breakdown listed in (1) and the actual expenditure required for the smooth operation of the offices of the Bureau Directors before the implementation of the Accountability System. If the amount of expenses for specific items shows an increase, please give the reasons.
- (3) Has the Administration assessed whether the estimated expenditure of the offices of the Bureau Directors is appropriate? What principles have been adopted in assessing its appropriateness?

Asked by: Hon. LEE Chu-ming, Martin

Reply :

- (1) The estimated expenditure for the Office of the Secretary for Economic Development and Labour (SEDL) covers the salaries and allowances of SEDL and staff of his Office. The daily work of SEDL and his staff cover different types of official duties, it is difficult to provide detailed breakdown of their salaries and allowances according to types of official duties. The breakdown of the estimated expenditure by items and establishment of the SEDL's Office is as follows:

SEDL's salary	\$ 3,232,000
Salary of five staff in SEDL's Office (include Administrative Assistant Personal Assistant Chauffeur Personal Secretary I Clerical Assistant)	\$ 2,596,000
Allowances	\$ 154,000
Job-related Allowances	\$7,000

- (2) There was no Director of Bureau's Office before introduction of the Accountability System, and the duties of SEDL are different from those of the former Secretary for Economic Services. It is therefore difficult to compare the expenditure of the two offices.
- (3) Our principle is to ensure the efficient operation of the Director of Bureau's Office with the least resource. We consider the estimated expenditure for the Director of Bureau's Office in 2003-04 appropriate .

Signature _____

Name in block letters MS SANDRA LEE

Post Title Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date 21.3.2003

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

Reply Serial No.

EDLB(ED)048

Question Serial No.

0490

Head : 168 Hong Kong
Observatory

Subhead:

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question : How much resources has HKO put into enhancing equipment and technology last year? How much new equipment was put into service last year and would be put into service this year. Can Government explain why with the increase in investment in equipment and enhancement of technology, the expected percentages of accurate weather forecasts as perceived by various sectors (the public, ship captains and airline operators) in 2003 will be lower?

Asked by : Hon. CHAN Kam-lam

Reply : The Hong Kong Observatory (HKO) spent \$15.18 million to upgrade equipment and technology in 2002-03. New equipment which has been put into service last year and those to be put installed this year include the airport light detection and ranging system (LIDAR), TV weather graphics system, polar-orbiting meteorological satellite workstations, computers and uninterruptible power supply.

The HKO continues its effort to enhance the level of weather information services, and has established performance targets for weather forecast accuracy. These targets were established taking into account past experiences and the expectations of the public. The HKO will continue to enhance its weather information services, and hopes that the accuracy of weather forecast can actually exceed the targets.

Signature _____

Name in block
letters _____

C Y LAM

Post Title _____

Director of the
Hong Kong Observatory

Date _____

21.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)049

Question Serial No.

1159

Head : 168 Hong Kong
Observatory

Subhead : 000 Operational expenses

Programme : (1) Weather services (2) Radiation Monitoring and Assessment
(3) Time standard and Geophysical Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

Question : The estimated provision of \$2,055,000 required in 2003-04 for allowances under personal emoluments represents an increase of about 21.6% over the revised estimate of \$1,690,000 for the previous year. Please provide a list of the allowances and the expenditure of each item for 2002-03 and 2003-04.

Asked by : Hon. SIN Chung-kai

Reply : The breakdown of Allowances under Personal Emoluments is as follows :

	2002-03 Revised Estimates \$000		2003-04 Draft Estimates \$000		Changes \$000
Overtime allowance	120		120		0
Acting allowance	1,000		1,200		200
Stand-by duty allowance	2		5		3
Honoraria	468		470		2
On-call duty allowance	-		260		260
Typhoon allowance	100		-		(100)
	1,690		2,055		365

The main reasons for the increase in provision for 2003-04 are :

- (a) increase of \$200,000 in Acting Allowance to cater for an increase in acting appointments to fill posts vacated or to be vacated by several senior ranking HKO officers upon commencement of their pre-retirement leave in 2003-04; and
- (b) increase of \$160,000 in the item being the net effect of re-shuffling of items between "Allowances" and "Job-related Allowances", with On-call Duty Allowance transferred from Job-related Allowances to Allowances and Typhoon Allowance transferred the other way round.

Signature _____

Name in block
letters _____
C Y LAM

Post Title	Director of the Hong Kong Observatory
Date	21.3.2003

Examination of Estimates of Expenditure 2003-04

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

Reply Serial No.

EDLB(ED)050

Question Serial No.

1291

Head : 168 Hong Kong
Observatory

Subhead: 000 Operational
expenses

Programme : (1) Weather Services (2) Radiation Monitoring and Assessment
(3) Time standard and Geophysical Services

Controlling
Officer : Director of the Hong Kong Observatory

Director of Bureau: Secretary for Economic Development and Labour

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 Hong Kong Observatory (HKO) has employed 20 non-civil service contract staff during 2002-03. The expenditure involved was about \$2.5 m. HKO plans to employ nine non-civil service contract staff in 2003-04, at an expenditure of about \$2 m. The decrease in the number of staff and expenditure is mainly due to the completion of some short-term work in 2002-03, and the departure of the staff concerned at the end of the contract.

Signature _____

Name in block
letters _____ C Y LAM

Post Title _____
Director of the
Hong Kong Observatory

Date _____ 21.3.2003

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

EDLB(ED)051

Head: 177 – Subventions: Non- Subheads: 429 and 955:
departmental Public Consumer Council
Bodies

Question Serial No.

0634

Programme : Subventions: Consumer Council

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question : The financial provision for the Consumer Council for 2003-04 sees a 4% reduction despite the projected increases in the numbers of consumer complaints and inquires next year. With less funding and heavier workload, how will the Council allocate resources and deploy manpower to ensure that its services to the public will not be affected?

Asked by : Hon. LI Wah-ming, Fred

Reply :

The Consumer Council (CC) has actively reviewed its major activities to ensure that the level and quality of service to consumers will not be affected.

To cope with the anticipated increase in workload, CC will make internal redeployment of staff, including the pooling of resources from other divisions to handle complaints and enquiries.

Indeed, since the onset of the Enhanced Productivity Programme a few years ago, CC's management has kept the deployment of financial resources under constant review, and will continue to do so in the future.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 21.3.2003

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

EDLB(ED)052

Head 177 – Subvention: Non-
departmental Public Bodies

Subheads: 443 & 870 Hong Kong
Tourism Board

Question Serial No.

0437

Programme: Travel and Tourism

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question : Under Matters Requiring Special Attention in 2003-04, the HKTB will increase and stimulate visitor spending through programmes such as shopping festival, Must Buy and Best of the Best Culinary Award and other new initiatives. In this connection, will the Administration inform this Council

- How much provision has been allocated for these programmes?
- What new initiatives will be carried out in the coming fiscal year?
- Are there any targets set for these programmes?

Asked by : Hon. YOUNG, Howard

Reply :

- (1) The provisions allocated by the Hong Kong Tourism Board (HKTB) to the programmes are set out as follows –
 - \$7 m for Shopping Festival
 - \$250,000 for Hong Kong Must Buy
 - \$1 m for Best of the Best Culinary Award and other food promotion events
 - About \$1.65 m for other new initiatives
- (2) HKTB will implement new initiatives to target at the high yield and high potential visitors. They include the launching of a “Business Travellers Guide Book” and the publication of the new “Unique Dining Experience” and “Exotic Shopping Walks” featuring new and unique places to shop and dine so as to promote visitors spending during their stay in Hong Kong.
- (3) The HKTB will set targets on these programmes after the figures on visitors’ spending in 2002 are available in mid-2003.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date _____ 21.3.2003

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

Reply Serial No.

EDLB(ED)053

Head: 177 – Subventions: Non- Subheads: 443 & 870 Hong
departmental Public Bodies Kong Tourism Board

Question Serial No.

0438

Programme : Subventions : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question : Under Matters Requiring Special Attention in 2003-04, the Hong Kong Tourism Board (HKTB) will strengthen Hong Kong's attractiveness and competitiveness through destination partnership. In this connection, will the Administration inform this Committee what is the plan and target set for the coming fiscal year and how much resources will be allocated?

Asked by : Hon. YOUNG, Howard

Reply :

HKTB plans to strengthen Hong Kong's attractiveness and competitiveness through destination partnership in 2003-04 in the following key areas:

Joint promotions with Southeast Asia destinations

- To conduct joint marketing campaigns with countries such as Thailand, Singapore, Indonesia and Malaysia in long haul markets like USA and Germany through the use of travel publications and internet marketing.
- To conduct joint promotions with Singapore and Thailand in the UK, including a joint exhibition at the World Travel Market trade show in London in late 2003. The three destinations (Hong Kong, Singapore and Thailand) have also started a joint marketing fund to support tour operators in itinerary development and consumer promotions.

Joint promotion with the Mainland

- To conduct joint marketing campaigns in Canada with China National Tourism Administration.
- To promote joint itineraries covering the Mainland and Hong Kong with travel agents in Germany and France.

Joint promotion of Guangdong/Hong Kong/Macau through the "Guangdong, Hong Kong and Macau Tourism Marketing Organisation" (previously called "Pearl River Delta Tourism Marketing Organization")

- To participate in the International Travel Expo (ITE) in Hong Kong in June 2003 under the joint brand of Guangdong, Hong Kong and Macau;
- To develop new itineraries with major travel agents using four key themes, viz, gourmet dining, golfing & spa, culture & heritage and family travel;
- Guangdong, Macau and Hong Kong will also make use of web marketing to conduct joint promotions.

Given the threats of war and other factors affecting the global travel industry, it is difficult to draw up a target for the above promotional initiatives. That said, the HKTB currently forecasts that total visitor arrivals to Hong Kong will reach 17.9 million in 2003 (8.4% increase over 2002).

The HKTB is budgetting a total of \$244 m for its world-wide marketing efforts in 2003-04. The joint promotions will be funded as part of this budget as they form part and parcel of the overall marketing efforts of HKTB in promoting Hong Kong both as a single destination as well as part of a multi-destination itinerary.

Signature _____

Name in block letters _____ MS SANDRA LEE _____

Post Title _____ Permanent Secretary for
Economic Development and Labour

(Economic Development)

Date _____ 21.3.2003 _____

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

Reply Serial No.

EDLB(ED)054

Head: 177 – Subvention: Non-
departmental Public Bodies

Subheads: 443 & 870 Hong Kong
Tourism Board

Question Serial No.

0543

Programme: Subvention : Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question : Please specify the initiatives and budget for promoting Hong Kong as a leading tourist destination in Asia (and even in the world) in the financial year 2003-04.

Asked by : Hon. LI Ka-cheung, Eric

Reply :

The Hong Kong Tourism Board (HKTb) has identified a number of initiatives to promote Hong Kong this year. In respect of the leisure market, efforts will be placed especially on the family travel in anticipation of the completion of major infrastructural projects in the next few years. The HKTb will encourage business visitors to stay longer and attract more high-yield visitor arrivals. Promotions targeting the convention and exhibition sector will also be strengthened.

HKTb will build their marketing activities around various tourism products namely shopping, dining, heritage, culture, festivals, city vibrancy, the harbour and green attractions. The main emphasis will be the diversity and sophistication of visitors' experience in Hong Kong in order to consolidate Hong Kong's position as the most popular city destination in Asia.

To enhance efforts in PR and promotions, the HKTb will conduct worldwide advertising campaigns, participate in major international travel exhibitions, organize exchange programmes for the local trade to other places and host familiarization visits to Hong Kong for the travel trade and the media from overseas.

For 2003-04, HKTb's budget of marketing expenditure amounts to \$350 m.

Signature _____

Name in block letters _____ MS SANDRA LEE

Post Title _____ Permanent Secretary
for Economic Development and Labour
(Economic Development)

Date _____ 21.3.2003