

**立法會**  
**Legislative Council**

LC Paper No. CB(1)862/04-05

Ref. : CB1/PL/CI

**Panel on Commerce and Industry**

**Meeting on 15 February 2005**

**Background brief on  
Hong Kong's hosting of the Sixth Ministerial Conference  
of the World Trade Organization**

**Introduction**

Established on 1 January in 1995 to succeed the General Agreement on Tariffs and Trade (GATT), WTO is the only international body dealing with the rules of trade between economies. As at 13 October 2004, WTO consists of 148 members. Hong Kong has been a member of WTO (and its predecessor GATT) in its own right since as early as the mid 1980s and has been a staunch supporter of the multilateral trading system.

2. The WTO Agreement provides that a ministerial conference (MC) shall be convened at least once every two years. The MC is the highest authority in the WTO structure and can take decisions on all matters under any multilateral trade agreements. Since its inception in 1995, WTO has held five MCs, with the last one held in Cancun, Mexico from 10 to 14 September 2003.

**Hong Kong's bid to host MC6**

3. On 18 July 2003, the Finance Committee (FC) approved in principle the estimated financial implications of \$250 to \$300 million (inclusive of staff costs) in order that the Administration could make a formal offer to the WTO for hosting MC6. The Secretary for Commerce, Industry and Technology (SCIT) wrote to the Director-General of the WTO on 21 August 2003 to submit Hong Kong's offer to host MC6. The WTO General Council in Geneva subsequently decided on 21 October 2003 to accept Hong Kong's offer. The Administration discussed the organizational aspects of MC6 in some detail with experts from the WTO Secretariat who visited Hong Kong in November 2003 and February 2004.

4. After securing the agreement of the WTO General Council for Hong Kong to host MC6, the Administration submitted a more detailed budget on the event and obtained FC's approval on 14 May 2004 for the creation of a new commitment of \$256 million for the purpose of hosting MC6. The main cost components comprise \$225 million for the provision of venue and facilities, information and communication technology services, office equipment and furniture, conference services, security arrangements, transportation, sponsorship for WTO Secretariat staff and Least Developed WTO members, and hospitality programme, etc., and \$31 million for civil service staff salary and related allowances arising from the establishment of the MC6 Coordination Office in the Trade and Industry Department.

5. At its meeting on 20 and 21 October 2004, the WTO General Council decided that MC6 will be held in Hong Kong from 13 to 18 December 2005. The WTO has a very comprehensive and stringent set of facility and other requirements for its MCs. To ensure that such requirements will be properly and reasonably met, the Administration has undertaken to discuss further and liaise closely with WTO members and the WTO Secretariat. As the host of MC6, SCIT will chair MC6 and Hong Kong will take charge of all the negotiations to take place during the Conference.

### **Major concerns expressed by Members**

6. When considering the funding proposal for MC6, the majority of FC members indicated support on account that hosting of the event would demonstrate Hong Kong's commitment to free trade, raise Hong Kong's international profile, as well as induce economic benefits in the form of tourist receipts. Nevertheless, FC members had made the following points :

- (a) Given that MC6 would likely attract anti-globalization protestors from all over the world, as evidenced by the disorder and violence during recent MCs held in Seattle and Cancun, some members were particularly concerned about the Administration's security measures and contingency plans to deal with demonstrations and protests.
- (b) Members were concerned whether the Administration would introduce any new immigration policy to prevent protestors from entering Hong Kong during MC6 and noted the Administration's advice that there were established policies and guidelines dealing with entry of visitors and these would apply during MC6.
- (c) Given that MC6 would be attended by trade ministers all over the world and would be covered extensively by international media, there was a suggestion that exhibitions, performances and

activities with local cultural characteristics should be staged during the period to showcase Hong Kong's unique culture.

7. To follow up on the concerns expressed by FC members and to monitor progress, the Panel held a meeting with the Administration on 16 November 2004.

#### *Security concerns*

8. Noting that large-scale protests had taken place at recent MCs held in Seattle and Cancun, there was concern about the Administration's security and contingency measures to maintain public order and safety. In this regard, the Administration advised that the Hong Kong Police Force (HKPF) had previous experience in handling major international events such as the International Monetary Fund/World Bank Meetings in 1997 and would review good practice and experience of events held overseas. HKPF has also set up a number of working groups to look into specific areas such as traffic management, public order etc with a view to drawing up security plans and contingency measures in close consultation with the MC6 Coordination Office and other bureaux and departments.

9. Regarding the entry of anti-globalization and anti-free trade activists into Hong Kong, the Administration confirmed that Hong Kong would deal with incoming visitors in accordance with its established and effective immigration policies.

#### *Related measures*

10. On transport arrangements during MC6, the Panel stressed the need for the Administration to devise suitable measures to ease traffic in one of Hong Kong's busiest urban areas. The Administration pointed out that in addition to land transport, sea transport would also be explored in order to facilitate transfers. The relevant District Councils would also be consulted in due course.

11. As Hong Kong might face a shortage of hotel rooms, some Panel members urged the Administration to plan ahead and liaise closely with the hotel industry to ensure that the accommodation needs of some 11,000 MC6 participants would be met. Members further noted that with the assistance of the Hong Kong Hotels Association and the Hong Kong Tourism Board, the MC6 Coordination Office had embarked on a room blocking exercise with hotels and would appoint a housing agent to handle accommodation matters.

#### *Need for overall coordination*

12. Some Panel members observed that the timing of MC6 would be very close to some other major events such as the opening of the Hong Kong Disneyland. As a large inflow of visitors/tourists was expected, the

Administration was reminded of the need to coordinate efforts from all fronts, notably the tourism, retail and catering sectors and to plan ahead well for support programmes such as social and hospitality programmes and cultural events to showcase Hong Kong as an Asian world city. In this connection, the Administration advised that a Steering Committee chaired by the Permanent Secretary for Commerce, Industry and Technology (Commerce and Industry) had been set up to provide high-level coordination straddling different bureaux, departments and other related organizations.

#### *Participation by non-government organizations (NGOs)*

13. In anticipation that many NGOs, both local and overseas, would take the opportunity of MC6 to make representations to the relevant authorities or promulgate their positions on matters such as trade, labour and environmental protection, Panel members urged the Administration to make appropriate arrangements for the lobbying activities of NGOs, albeit that they could not take part in the event as official delegates.

#### *Economic benefits and financial implications*

14. The Panel noted that MC6 itself would not generate income from ticket sales. Nevertheless, according to the Administration's estimate, the event would contribute about \$100 million in tourist receipts for Hong Kong. Apart from the tangible benefit, members were also concerned about the intangible benefit brought to Hong Kong by a successful MC6, such as enhancing Hong Kong's status as a regional conference hub.

15. Drawing on the lesson of the Hong Kong Harbour Fest, some Panel members pointed out that inadequate monitoring and management might turn a worthwhile event into a deplorable one. The Administration was therefore urged to exercise prudence in the use of public funds and to monitor the planning and implementation of MC6 closely. In response, the Administration confirmed that it was mindful of the need to use public resources prudently and cost-effectively. Although FC had approved funding for the event, in order to save costs, the Administration would also seek commercial sponsorship to defray some of the expenses.

#### **The way forward**

16. The Panel has considered it necessary to monitor further progress in all key areas of preparatory work for MC6. The Administration has been requested to include the following information when reverting to the Panel in future:

- (a) Briefing by HKPF and security experts on the security arrangements during MC6;

- (b) more detailed information on the social and hospitality programmes, as well as cultural performances and activities; and
- (c) arrangements to cater for the needs of NGOs in their lobbying activities.

17. The Administration will update the Panel on the latest progress of the preparatory work on MC6, as well as the proposal to enact the necessary subsidiary legislation relating to privileges and immunities conferred on WTO, at the meeting to be held on 15 February 2005.

Council Business Division 1  
Legislative Council Secretariat  
7 February 2005