FINANCIAL SERVICES AND THE TREASURY BUREAU

> (The Treasury Branch) Central Government Offices

> > Lower Albert Road

Hong Kong

財經事務及庫務局 (庫務科



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20 January 2005

Ms Connie Szeto Clerk to Panel Panel on Financial Affairs Legislative Council Building 8 Jackson Road Central Hong Kong

Dear Ms Szeto,

Panel on Financial Affairs Follow-up to meeting on 6 December 2004

The Financial Secretary's Office has asked this Bureau to provide information on the threshold for the application of the World Trade Organization Agreement on Government Procurement on contracts in respect of government purchase of goods and services as requested under item 2 of the list of follow-up actions attached to your letter of 17.12.2004 to the Financial Secretary's Office.

The information is provided below for Members' reference:

		Threshold Value (Special Drawing Rights (SDR))		Threshold Value (in Hong Kong Dollars)	
		Annex 1 <u>Entities*</u>	Annex 3 Entities#	Annex 1 Entities*	Annex 3 Entities [#]
(i)	goods and services other than construction services	130,000	400,000	\$1,351,000	\$4,156,000

		(Special	Threshold Value (Special Drawing Rights (SDR))		Threshold Value (in Hong Kong Dollars)	
		Annex 1 <u>Entities*</u>	Annex 3 Entities#	Annex 1 Entities*	Annex 3 Entities [#]	
(ii)	construction services	5,000,000	5,000,000	\$51,951,000	\$51,951,000	

^{*} Annex 1 Entities cover all bureaux and departments

The threshold value in Hong Kong Dollars, calculated on the basis of the monthly average exchange rate of SDR to Hong Kong Dollars over 24 months preceding a reference date, is reviewed every two years. The current threshold value is for the calendar years of 2004 and 2005.

Yours sincerely,

(Mrs Vivian Ting)

for Secretary for Financial Services and the Treasury

[#] Annex 3 Entities cover Housing Authority and Housing Department, Airport Authority, Hospital Authority, MTR Corporation Ltd and Kowloon-Canton Railway Corporation