# 立法會 Legislative Council

LC Paper No. CB(1)50/05-06

Ref.: CB1/PL/CI

### **Panel on Commerce and Industry**

Meeting on 18 October 2005

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

#### **Purpose**

This paper summarizes the background of the Sixth Ministerial Conference (MC6) of the World Trade Organization (WTO) to be held in Hong Kong from 13 to 18 December 2005, as well as the views and concerns expressed by Members on various aspects of the hosting of the event.

#### **Background**

- 2. The WTO was established on 1 January in 1995 to succeed the General Agreement on Tariffs and Trade (GATT). 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. The WTO Agreement provides that a ministerial conference (MC) shall be convened at least once every two years. Since its inception in 1995, WTO has held five MCs, with the last one held in Cancun, Mexico from 10 to 14 September 2003.
- 3. On 18 July 2003, the Finance Committee (FC) accepted 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 WTO for hosting MC6. On 21 October 2003, the WTO General Council in Geneva accepted Hong Kong's offer.
- 4. Thereafter, the Administration submitted a more detailed budget on MC6 and obtained FC's approval on 14 May 2004 to create a new commitment of \$256 million. 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 (MCO) in the Trade and Industry Department.

### Major views and concerns expressed by Members

5. The Administration has briefed the Panel on Commerce and Industry (CI) and Panel on Security in November 2004, February, March, May and July 2005 on the progress in preparatory work. While noting the importance of the successful hosting of MC6, Panel members have expressed concerns on various aspects of the event.

#### Security concerns

- 6. Members are fully aware that large-scale international events have often served as ready focal points for protesters against such issues as globalization, poverty and war, as evidenced by massive protests during past MCs and the recent G8 Summit held in Scotland in July 2005. They are gravely concerned about the adequacy of the security and contingency arrangements and the possibility of terrorist attacks on Hong Kong during the event period.
- 7. The Administration has assured members that it attaches great importance to ensuring the smooth conduct of MC6. The Police has set up nine working groups to deal with various enforcement aspects of the event and will draw up contingency measures to cater for worst case scenarios such as the throwing of objects, arson and other acts of violence. Although the current assessment of terrorist threat is not high, the Administration will maintain close liaison with overseas intelligence and law enforcement agencies and monitor closely international developments. The Administration has indicated to members that it is fully capable of maintaining internal law and order and that the chance of seeking assistance from the Garrison in Hong Kong is very low.
- 8. Some members have stressed the need to strike a reasonable balance between enforcing security measures and respecting the freedom of expression of demonstrators. The Administration has taken note of their concern that relevant protest zones should be designated within sight and sound of the event venue as far as practicable.

#### Traffic measures

9. Members are gravely concerned about traffic arrangements during the period of MC6 given that currently, the areas in question are already loaded with

heavy traffic flows. The Administration has advised that it will make the best endeavour to ensure smooth traffic flow. The Transport Department will take out contingency measures in response to unforeseeable changes. The relevant Police working group tasked to oversee traffic arrangements will critically examine the necessary measures in collaboration with the Transport Department and make timely public announcement on special traffic measures during the event period.

#### Liaison and consultation

- 10. Members note that the Administration has undertaken to consult concerned District Councils. It is understood that the Administration has already consulted five District Councils, namely the Wan Chai District Council, Yau Tsim Mong District Council, Central and Western District Council, Eastern District Council and Kowloon City District Council on the arrangements of MC6.
- 11. In order that non-government organizations (NGOs) can make timely planning of their public activities during the event period, members have urged the Administration to finalize and make known its decision on applications for venues early. Members also note that the Administration has been in discussion with the Hong Kong People's Alliance on WTO regarding the coordination of demonstrations staged by NGOs.
- 12. Members have also highlighted the need to make timely announcements so that local residents and visitors, in particular shop owners in the vicinity of the event venue will be aware of the security and traffic arrangements. They note that the Administration has been arranging briefing sessions for various affected sectors.

#### Related arrangements

- 13. Some members have highlighted the positive impact of hosting MC6 which will help showcase the strength of Hong Kong as Asia's world city. They have also pointed out that the timing of MC6 is close to the Christmas holidays when a large number of tourists are also expected, and are concerned whether the hotel and retail sectors can cope with the business demand during this period. The Administration has been reminded to coordinate efforts from all fronts, notably the tourism, retail and catering services, and to plan ahead well for support programmes such as social and hospitality programmes and cultural events.
- 14. On funding, members note that in order to defray part of the cost for the event and to make ends meet, the MCO will actively identify possible areas of sponsorship in consultation with the WTO Secretariat and solicit sponsorship from identified parties.

#### **Enactment of legislation**

- 15. The International Organizations (Privileges and Immunities) (World Trade Organization) Order made under section 3 of the International Organizations (Privileges and Immunities) Ordinance (Cap. 558) was enacted and came into operation on 7 July 2005. The Order accords the necessary privileges and immunities to the WTO, its officials and representatives of WTO members when exercising their functions in Hong Kong.
- 16. To ensure public order, safety and the smooth conduct of MC6, the Administration has proposed to designate a restricted access zone around the Hong Kong Convention and Exhibition Centre during MC6 by way of a closed area order made under section 36 of the Public Order Ordinance (Cap. 245). The relevant order has been gazetted on 7 October 2005 and is subject to negative vetting by the Legislative Council.

Council Business Division 1
<u>Legislative Council Secretariat</u>
14 October 2005