

**Bills Committee on the
Legislative Council (Amendment) Bill 2007**

Functional Constituencies of the Legislative Council

Introduction

As requested by Members at the meeting on 22 January 2008, this paper provides various information regarding functional constituencies (“FCs”).

Contribution of FCs to Hong Kong

2. Since the first election of the Legislative Council (“LegCo”) in 1985, FCs have been an important component of Hong Kong’s electoral system. After the Handover, the LegCo FC seats have been retained to cater for the interests of different sectors of society, with a view to realizing the principle of balanced participation.

3. The existing 28 FCs represent important economic, social and professional sectors in Hong Kong. They have provided important contributions to the economic and social development of Hong Kong as a whole. These FCs involve a wide spectrum of sectors in Hong Kong. In 2005, the sectors concerned together accounted for almost 90% of the Gross Domestic Product of Hong Kong (see breakdown at Annex A). The FCs are not only significant contributors to our economy. They also represent the interests of various key trades and professions as well as a broad

spectrum of the community.

Number of FCs and Delineation/Adjustment of Electorate of FCs

4. The number of FCs has increased in stages from 19 in 1985 to 28 at present. There have also been changes to their delineation. Successive terms of the LegCo and different sectors in the Hong Kong community have been heavily involved in the development process. At different stages, the Government also conducted consultations with the LegCo and the community over the development of FCs.

5. Regarding the delineation of electorates of FCs, in general FCs which comprise corporate electors are made up of major organizations representative of the relevant sectors or their corporate members, including trade associations, labour unions and professional bodies. As for professional sector FCs, their composition in general is based on professional membership with well-established and recognized qualifications, including statutory qualifications.

6. The most crucial development regarding FCs since the Handover was the setting up of nine new FCs for the election for the first-term LegCo. In this connection, the Government issued a consultation document in 1997 to consult the public on the sectoral coverage and delineation of these nine new FCs. The proposals were implemented through the Legislative Council Ordinance (“LCO”). The nine new FCs reflected the then latest development

of the community. For instance, an Information Technology FC was established for the first time.

7. Since the enactment of the LCO in 1997, the Government has reviewed the Ordinance before every LegCo general election, taking into account the latest developments and relevant factors. The amendments sought to update, as appropriate, the sectoral coverage of FCs and the delineation of the electorate of individual FCs.

8. In preparation for the elections for the second-term and the third-term LegCo in 2000 and 2004 respectively, the Government reviewed and processed legislative amendments regarding FCs. In light of the latest developments in the community and the relevant sectors, the Government, as appropriate, proposed adjustments to the sectoral coverage of FCs. Corporate bodies with a status comparable to that of existing corporate electors and representative bodies in the relevant trade were included in the relevant FCs. Besides, the eligibility criteria of certain FCs were updated in light of changes in statutory registration/licensing regime. We also deleted those corporate bodies which had ceased operation or were no longer holding the specified type of licence/franchise.

9. In preparation for relevant adjustments, the Government consulted the LegCo and sought views from the relevant organizations and individuals. We also gauged the opinions expressed in the media and by the general public before proposing legislative amendments to the LegCo. The current composition and

delineation of electorate of FCs encompass proposals set out in the LegCo (Amendment) Ordinance 2003 passed by the LegCo on 3 July 2003, as well as technical amendments in the Chief Executive (“CE”) Election and LegCo Election (Miscellaneous Amendments) Ordinance 2006 passed on 10 May 2006.

10. Regarding the method of forming LegCo in 2008, the Government set up the Constitutional Development Task Force in January 2004 and issued five reports to consult widely on issues relating to the method of forming LegCo in 2008, including the composition of FCs. On 21 December 2005, the Government put to the LegCo two motions to amend Annexes I and II of the Basic Law respectively to implement the package of proposals for the methods of selecting the CE in 2007 and forming LegCo in 2008. As the motions did not receive the required two-thirds majority support of LegCo Members, the proposals could not be processed further.

Applications from Organizations for Inclusion into FCs

11. Since the enactment of the LegCo (Amendment) Ordinance 2003, we have received a total of 75 applications from organizations proposing their inclusion in the electorate of FCs (details are at Annex B).

12. Since the motion submitted by the Government on 21 December 2005 on the method of forming LegCo in 2008 did not receive the required support from the LegCo, in accordance with the Interpretation made by the Standing Committee of the National

People's Congress on 6 April 2004, if no amendment is made to the methods for selecting the CE and for forming the LegCo as stipulated in Annexes I and II of the Basic Law, the provisions relating to the two methods in Annexes I and II of the Basic Law will continue to apply. In the circumstances, the 2008 LegCo election will be held on the basis of the existing arrangements. Based on this approach, the number and composition of existing FCs should remain unchanged for the 2008 LegCo election, and only minor technical amendments will be made. As such, we cannot accept the applications as mentioned in paragraph 11.

The Potential Electorate Size of FCs

13. At present, the total potential electorate of the 28 FCs is 305,285, of which 212,825 or 69.7% have registered in the respective FCs as electors. The size of the potential electorate and the number of registered electors for each FC are set out at Annex C.

Advice Sought

14. Members are invited to note the information on FCs as set out above.

Constitutional and Mainland Affairs Bureau
January 2008

Annex A

Contribution of sectors involved in LegCo Functional Constituencies to Hong Kong's GDP (2005)

Functional Constituencies (FCs)	Contribution to GDP¹
Agriculture and Fisheries	0.1%
Industrial (First)	6.4% ²
Industrial (Second)	
Commercial (First)	
Commercial (Second)	
Textiles and Garment	
Real Estate and Construction	7.4% ³
Wholesale and Retail	3.6%
Import and Export	22.7%
Catering	2.7% ⁴
Tourism	
Transport	8.3%
Information Technology	2.5% ⁵
Finance	12.8%
Financial Services	
Insurance	
Legal	23.0% ⁶
Accountancy	
Engineering	
Architectural, Surveying and Planning	
Education	
Medical	

Functional Constituencies (FCs)	Contribution to GDP¹
Health Services	
Sports, Performing Arts, Culture and Publication	
Social Welfare	
Labour	
Heung Yee Kuk	n/a
District Council	
Total	89.5%

Note:

1. GDP figures are compiled by the Census and Statistics Department according to international statistical standards. The classification of data may not be compatible with the delineation of FCs.
2. The figure refers to the manufacturing, electricity, gas and water sectors. For the water sector, it refers to the Water Supplies Department. Its contribution to the GDP is relatively not significant. The Commercial FCs are involved in many sectors. Their contribution to the GDP of Hong Kong is also reflected in the figures of other FCs.
3. The figure also includes the business of the Housing Department.
4. The figure refers to the restaurants and hotels sectors. The contribution from the tourism sector other than the hotel sector,

(e.g. travel agencies) is included in the figure for business services and community, social and personal services. (see note 6)

5. The figure refers to the telecommunication and information technology related services sector. The postal and despatch service is also included.
6. The figure refers to business services and community, social and personal services. The figure does not include government activities which are engaged in market activities (e.g. Hong Kong Post). Publication service is also not included in the figure, as it is covered by the manufacturing sector.

Annex B

Application Received for Inclusion into FCs since the Enactment of the LegCo (Amendment) Ordinance 2003

FCs	Number of Applications
1. Agriculture and Fisheries	4
2. Transport	45
3. Education	1
4. Engineering	1
5. Social Welfare	1
6. Real Estate and Construction	2
7. Financial Services	2
8. Sports, Performing Arts, Culture and Publication	8
9. Import and Export	2
10. Wholesale and Retail	5
11. Information Technology	3
12. Catering	1
Total	75

Annex C

The Size of the Potential Electorate and the Number of Registered Electors of FCs

FCs	Existing size of potential electorate¹	Number of registered electors²
1. Heung Yee Kuk	158	151
2. Agriculture and Fisheries	163	160
3. Insurance	172	141
4. Transport	187	180
5. Education	114,038	84,639
6. Legal	6,923	5,483
7. Accountancy	24,633	20,329
8. Medical	12,694	9,954
9. Health Services	46,419	35,391
10. Engineering	8,980	7,688
11. Architectural, Surveying and Planning	6,461	5,559
12. Labour	694	556
13. Social Welfare	12,107	11,329
14. Real Estate and Construction	979	745
15. Tourism	1,643	976
16. Commercial (First)	2,231	1,053
17. Commercial (Second)	4,565	1,752

¹ The potential electorate size fluctuates from time to time due to changes in the membership sizes of umbrella organizations.

² The number of electors registered on the final electoral register published in September 2007.

FCs	Existing size of potential electorate¹	Number of registered electors²
18. Industrial (First)	1,387	761
19. Industrial (Second)	1,035	527
20. Finance	186	134
21. Financial Services	707	569
22. Sports, Performing Arts, Culture and Publication	3,828	1,894
23. Import and Export	5,442	1,389
24. Textiles and Garment	18,283	3,812
25. Wholesale and Retail	9,835	4,222
26. Information Technology	7,263	4,976
27. Catering	13,790	8,013
28. District Council	482	442
Total	305,285	212,825