

政制及內地事務局
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CONSTITUTIONAL AND MAINLAND AFFAIRS BUREAU
GOVERNMENT SECRETARIAT

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(By Fax: 2869 6794)

22nd May 2008

Clerk to the Finance Committee
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
(Attn: Miss Becky YU)

Dear Miss YU,

Finance Committee
Follow-up to meeting on 9 May 2008
Re: HKSAR's participation in the Shanghai Expo

At the meeting of the Finance Committee of the Legislative Council on 9 May 2008 (vide FCR(2008-09)8), the Administration was requested to provide the following written information for Members' reference –

- (a) number of jobs to be created in Hong Kong as a result of its participation in the Shanghai Expo; and
- (b) interim progress report on new applications of smart card and the amount of private sponsorship secured in one year's time.

On (a), arising from our participation in the Shanghai Expo, we estimate that the design and construction of the Hong Kong Pavilion will directly create a total of 13 temporary jobs for Hong Kong consultants, comprising six professional and seven technical staff, totalling 320 man-months. The estimate has taken into account the fact that the Hong Kong Pavilion will be constructed in Shanghai.

In addition, there will be indirect employment impact across a wide spectrum of local industries. Other than the HK Pavilion exhibition, the

HKSAR will also take part in the Urban Best Practices Area Exhibition, and organise/take part in a series of related activities such as "Hong Kong Week", parades, art exhibitions and cultural performances. The local creative industries will be involved during the process, particularly those in the fields of design, architecture, exhibition software, performing and visual arts, etc. Furthermore, as stated in paragraph 4 of the FC paper mentioned above, the quantifiable economic benefit to Hong Kong is likely to be felt mainly in the inbound tourism and related sectors such as hotels, restaurants, retail and transportation. New employment opportunities will thus be generated from these activities.

However, it is very difficult to quantify the indirect employment impact. Owing to the short-term nature of the event, different industries with different modes of operation and cost structures may respond differently to the temporary boost in labour demand. While some may recruit additional workers, some others may opt to extend the working hours of their existing staff. A precise estimation cannot therefore be made.

Although it is difficult to assess the number of jobs to be created indirectly in these industries, HKSAR's participation in the Shanghai Expo will be conducive to the long term economic development of Hong Kong, especially in the creative industries. The local creative talents will have a good opportunity to exhibit their creativity to the international audience while gaining exposure to the best practices in other parts of the world.

On (b), we will provide an interim progress report to the Legislative Council Panel on Commerce and Industry in about a year's time on the latest progress of HKSAR's preparation for participation in the Shanghai Expo.

Yours sincerely,



(Ivan K B Lee)

for Secretary for Constitutional and Mainland Affairs

c.c. **Secretary for Commerce and Economic Development**
(Attn: Mr Alan SIU)

Secretary for Financial Services and the Treasury
(Attn: Mr Bobby Cheng)

Financial Secretary's Office
Economic Analysis and Business Facilitation Unit
(Attn: Mr. CHEUNG Hok-ying)