

Motion on
“Assisting local enterprises in brand building and product
development”
at the meeting of the Legislative Council on 8 July 2009

Progress Report

Purpose

The Administration is committed to assisting local enterprises in building and developing Hong Kong brands with a view to enhancing their value and competitiveness. Over the years, we have been providing support in different areas including promotion, design, innovation and technology, intellectual property, testing and certification, financing etc. We have also been working closely with the trade in considering ways to help and encourage Hong Kong enterprises to develop and promote their brands in the Mainland and other markets.

2. At its meeting on 8 July 2009, the Legislative Council (LegCo) passed a motion on “Assisting local enterprises in brand building and product development”. This paper briefs Members on the progress of relevant measures taken by the Administration.

Brand Hong Kong

3. The Administration will continue to make use of the Brand Hong Kong (BrandHK) platform to promote Hong Kong’s strengths as Asia’s world city. Our goal is to attract foreigners and Mainlanders to invest, work, study and visit Hong Kong. Meanwhile, the work to revitalise BrandHK continues. We have earlier consulted the community on views and vision for the Hong Kong brand. The Administration is now mapping out a communication and marketing strategy with a view to launching, during next year, the updated BrandHK locally, in the Mainland and internationally.

Promotional Activities of the Hong Kong Trade Development Council

4. The Hong Kong Trade Development Council (HKTDC)

continues to organize exhibitions, seminars, Hong Kong Pavilions, trade missions and brand promotion activities in the Mainland and new markets to help Hong Kong enterprises showcase and promote their products outside Hong Kong. It is estimated that about 50 promotional activities in the Mainland and 30 activities in new markets will be organized between September 2009 and October 2010.

5. Locally, the HKTDC is operating three Design Gallery shops to display and promote Hong Kong brand name products. Apart from the one at the Hong Kong Convention & Exhibition Centre, there are two more shops at the Hong Kong International Airport: one located at the departure hall and another one was opened in July 2009 inside the restricted area.

Funding Support to SMEs

6. The Trade and Industry Department (TID)'s SME Development Fund (SDF) will continue to provide funding support to projects which aim to enhance SMEs' competitiveness, including projects relating to brand promotion. For example, the SDF has recently approved a project which involved the setting up of a Hong Kong Pavilion at the Hong Kong Lifestyle Showcase held in August 2009 at the Hong Kong Convention and Exhibition Centre to provide a forum for SMEs to showcase their products to a large number of potential consumers.

7. Moreover, the SME Export Marketing Fund (EMF) administered by TID continues to provide assistance to SMEs for the purpose of marketing and promotion activities. Following approval by the Finance Committee in June 2009, an additional provision of \$1 billion has been injected to enable the continued operation of the two schemes (SDF and EMF).

Assist Hong Kong enterprises to tap the Mainland market

8. The Mainland market presents tremendous trade opportunities for Hong Kong enterprises. Upgrading the technology level and quality of products and brand development will help Hong Kong enterprises in tapping the Mainland market. The Administration has been exchanging views with relevant Mainland authorities, including the Guangdong

authorities, to provide support to Hong Kong enterprises in restructuring, upgrading and gaining access into the Mainland market. At the 12th Plenary of the Hong Kong/Guangdong Co-operation Joint Conference held on 19 August 2009, the Administration and the Guangdong Government affirmed that helping Hong Kong enterprises to restructure, upgrade and develop the Mainland market was amongst their priority agenda in fostering closer cooperation between the two sides. The Administration has already conveyed to the Guangdong authorities the trade's views and recommendations which include simplifying the testing and certification procedures, streamlining the procedures for Hong Kong enterprises to set up distribution channels and retail outlets, and disseminating to Hong Kong enterprises information about the Mainland consumer markets, etc. The Administration will continue to liaise and follow up with Guangdong Province on the implementation of facilitation measures (such as arrangements for "restructuring without stopping production" and "single tax return for multiple domestic sales") and to reflect the views from the trade.

9. At the same time, the Administration will encourage trade associations to organize promotional activities to open up sales to the Mainland market, and will continue to support the HKTDC in organizing more "Style Hong Kong" shows in various parts of the Mainland. The Mainland authorities in different provinces also organize business matching events and exhibitions from time to time. The Administration will work with the Mainland authorities to help Hong Kong enterprises make use of these platforms to engage with Mainland distributors to open up new trade opportunities.

Strengthening cooperation with the Mainland in protecting intellectual property rights (IPR)

10. The Intellectual Property Department (IPD) and the Customs and Excise Department maintain close cooperation with the Mainland authorities responsible for IPR protection, including the State Intellectual Property Office, the Trade Mark Office of the State Administration for Industry and Commerce (TMO), the National Copyright Administration and the General Administration of Customs. The parties strive to help Mainland and Hong Kong enterprises better understand the relevant IP

laws and regulations and relevant protection measures applicable to the two places, with a view to raising their capability in protecting and managing IPR.

11. The Guangdong/Hong Kong Expert Group on the Protection of IPR held its Eighth Meeting in Guangzhou on 16 July 2009. The Group planned to organise seminars, training courses and exchange programmes, etc. in the coming year to raise the understanding and awareness of IP protection of enterprises of both places.

12. To encourage the IPR owners to protect and manage their IPR properly by way of, for example, making registration applications, IPD will continue to make available relevant information through promotion and publicity programmes such as talks and seminars on trade marks. It will also maintain close contact and cooperation with TMO, through the Trademark Working Coordination Group established under CEPA, to explore measures to facilitate enterprises of both places in registering trade marks.

Develop industrial buildings into exhibition centres

13. The Chief Executive announced in the 2009-10 Policy Address new measures to promote revitalisation of old industrial buildings through encouraging redevelopment and conversion of vacant or under-utilised industrial buildings. The objective is to provide readily available and suitable land and premises to meet Hong Kong's economic and social needs, including the development of higher-value added economic activities (such as the six industries where Hong Kong enjoys clear advantages).

14. Under the policy proposal to facilitate wholesale conversion of industrial buildings, owners will be allowed to convert the entire industrial building for non-industrial uses, including exhibition centres, without payment of any waiver fee during the lifetime of the building or until expiry of the current lease, whichever is earlier, subject to certain eligibility criteria. The industry may consider the feasibility of setting up such centres in wholly converted industrial buildings which are eligible for the new policy measures (including meeting the building age and planning permission requirements).

Testing and Certification

Hong Kong Council for Testing and Certification

15. The Administration announced the establishment of the Hong Kong Council for Testing and Certification on 17 September 2009. The Council will work with the testing and certification industry to develop a three-year development plan within six months.

Outsourcing of testing services

16. In 2009/10, the Administration plans to outsource some 78,000 food tests covering preservatives, sulphur dioxide, heavy metals and pesticide residues. Some private laboratories have been extending their scopes of accreditation to cover the additional tests required in the outsourcing programme. The Government Laboratory has also scheduled a variety of programmes, including proficiency test programmes, to support the development of the local testing industry.

Acceptance by Mainland Authorities

17. The Administration will hold discussions with Mainland authorities to explore the possibility of accepting testing reports from local accredited laboratories in the context of services trade liberalization/trade facilitation measures under CEPA. At the same time, we will promote our testing and certification services in the Mainland through various departments and agencies.

Manpower training

18. Responding to the needs of the testing and certification industry, the Vocational Training Council (VTC) has been offering relevant training courses in areas such as food technology, pharmaceutical technology, biomedical science, nutrition science, textile, electrical engineering, automobile, and product testing. The duration of these training courses ranges from a short 10-hour course to a 3 to 4-year Higher Diploma programme. Currently, VTC's pre-employment courses covering these areas offer about 1,300 places, producing about 400 graduates every year at sub-degree level. Besides, upgrading courses offer some 700 places for in-service personnel. VTC will continue to work closely with the industry to ensure its programmes meet the needs of the industry.

Accreditation Service

19. To support the development of the testing and certification industry, the Hong Kong Accreditation Service (HKAS) will continue to monitor the demand for accreditation service and offer new services having regard to resource requirements. HKAS will also continue to engage and cooperate with international and regional accreditation bodies to expand the operating horizon for our industry through establishing mutual recognition arrangements. Currently HKAS has 72 mutual recognition arrangement partners in 54 economies, including all major trading partners of Hong Kong.

Commerce and Economic Development Bureau

Trade and Industry Department

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