

立法會
Legislative Council

LC Paper No. CB(1)2198/08-09
(These minutes have been seen
by the Administration)

Ref : CB1/PL/CI/1

Panel on Commerce and Industry

Minutes of meeting
held on Tuesday, 17 February 2009, at 2:30 pm
in Conference Room A of the Legislative Council Building

Members present : Hon WONG Ting-kwong, BBS, JP (Deputy Chairman)
Hon Fred LI Wah-ming, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon Emily LAU Wai-hing, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon Starry LEE Wai-king
Dr Hon LAM Tai-fai, BBS, JP
Hon Tanya CHAN

Members absent : Hon Vincent FANG Kang, SBS, JP (Chairman)
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Dr Hon Samson TAM Wai-ho, JP

Public officers attending : Agenda Item IV
Mr Gregory SO, JP
Under Secretary for Commerce and Economic
Development

Miss Vivian LAU Lee-kwan
Deputy Director-General of Trade and Industry
(Commercial Relations, Controls and Support)

Agenda Item V

Mr Alan SIU, JP
Deputy Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Joshua LAW, JP
Permanent Secretary for Constitutional and Mainland
Affairs

Mr Howard CHAN
Deputy Secretary for Constitutional and Mainland
Affairs(2)

Mr Victor NG
Expo Coordinator
Constitutional and Mainland Affairs Bureau

Clerk in attendance : Ms YUE Tin-po
Chief Council Secretary (1)3

Staff in attendance : Ms Annette LAM
Senior Council Secretary (1)3

Ms May LEUNG
Legislative Assistant (1)6

Action

- I. Confirmation of minutes of meeting**
(LC Paper No. CB(1)737/08-09 -- Minutes of special meeting held on
12 November 2008)

The Deputy Chairman chaired the meeting in the absence of the Chairman
who was out of town.

2. The minutes of the special meeting held on 12 November 2008 were
confirmed.

II. Information papers issued since last meeting

(LC Paper No. CB(1)701/08-09(01) -- Outcome of the Tender Exercise for the Government Electronic Trading Services post-2009

LC Paper No. CB(1)731/08-09(01) -- Information on the financial position of the Applied Research Fund for the period of 1 September to 30 November 2008)

3. Members noted that the above papers had been issued for the Panel's information.

III. Date of next meeting and items for discussion

(LC Paper No. CB(1)768/08-09(01) -- List of outstanding items for discussion

LC Paper No. CB(1)768/08-09(02) -- List of follow-up actions)

4. Members agreed that the next Panel meeting would be held on Tuesday, 17 March 2009 at 2:30 pm in Conference Room A to discuss the following items proposed by the Administration:

- (a) Replacement of Air Cargo Clearance System for the Customs and Excise Department;
- (b) Subsidiary legislation for implementing the electronic Road Cargo System; and
- (c) Converting a Chief Electronics engineer Post to a bi-disciplinary post in Innovation and Technology Commission.

(Post-meeting note: At the direction of the Chairman, the item "Progress update on the support measures for small and medium enterprises arising from the global financial turmoil" was included in the agenda for the next regular meeting.)

IV. Progress update on the support measures for small and medium enterprises arising from the global financial turmoil

(LC Paper No. CB(1)768/08-09(03) -- Administration's paper on progress update on the support measures for small and medium enterprises arising from the global financial turmoil

LC Paper No. CB(1)768/08-09(04) -- Hon LAM Tai-fai's question on Special Loan Guarantee Scheme at the Council meeting on 4 February 2009 and the Administration's reply)

Presentation by the Administration

5. At the invitation of the Deputy Chairman, the Under Secretary for Commerce and Economic Development (USCED) updated members on the latest position of the enhanced SME Loan Guarantee Scheme (SGS) and the Special Loan Guarantee Scheme (SpGS) since the last Panel meeting on 13 January 2009. Members noted that as at 9 February 2009, 37 participating lending institutions (PLIs) had signed up for the SpGS. Up to 16 February 2009, a total of 3 032 loan applications had been received under the two schemes and a total loan amount of more than \$5.4 billion had been approved. The Trade and Industry Department (TID) and five major industrial and trade organizations had organized a large-scale seminar on 15 January 2009 at the Hong Kong Convention and Exhibition Centre to brief small and medium enterprises (SMEs) on the support measures provided by the Government and industry support organizations. On-site enquiry counters were set up by 23 PLIs and supporting organizations at the seminar which attracted an attendance of about 400 participants. About 50 loan applications were received at the seminar.

Discussion

Review of the effectiveness of the schemes

6. Dr LAM Tai-fai noted that as at 16 February 2009, only 3 032 loan applications had been approved under the enhanced SGS and the SpGS, involving a total loan amount of around \$5.4 billion which was substantially lower than the ceiling of the total Government guarantee commitment of \$100 billion. In view of the low take-up of the schemes, he considered the schemes ineffective in addressing SMEs pressing liquidity problems, as many enterprises still found it difficult to obtain loans from PLIs. He called on the Administration to conduct a mid-term review in March 2009 to assess the effectiveness of the schemes. In this connection, the Deputy Chairman and Dr LAM opined that with the rising unemployment rate, additional support measures should be introduced to relieve the hardship of SMEs. They urged the Administration to conduct an early review of the schemes and to seriously consider raising the level of the Government guarantee ratio to above 70% to boost PLIs' confidence in lending to SMEs, as well as relaxing the safeguard measures on bad debt and personal guarantee requirements.

7. In response, USCED said that the enhanced SGS and the SpGS were only launched in November and mid December 2008 respectively. The total loan of \$5.4 billion that had been approved during the previous two months represented an average rate of almost \$100 million per day, which was not a small sum. The

steady growth in both the number of applications and the amount of loan granted showed that a growing number of enterprises were beginning to benefit from the schemes. He appealed to members to allow time for the loan schemes to work and for the Administration to assess their effectiveness. The Administration would, in collaboration with chambers of commerce and trade bodies, continue to publicize and promote the schemes. He assured members that the Administration had committed to conducting a review before the expiry of the six-month application period to decide whether to extend the SpGS. Pending the review in June 2009, the Administration would closely monitor developments and review the operation and effectiveness of the schemes from time to time.

Loans granted by lending institutions to new and existing SME customers

8. Dr LAM Tai-fai noted that amongst the 1 235 applications submitted to TID as at 1 February 2009, only 174 applications were lodged by new customers (i.e. those had not been granted any loans by the PLI concerned before), of which 113 had been approved, involving a total loan amount of about \$116 million. He was concerned that only a small number of business enterprises had been able to obtain loans from PLIs with whom they had no business dealings before.

9. In response, USCED said that when enterprises applied for loans, they would usually first approached the lending institutions with which they had on-going business dealings. Since these lending institutions already had business relationship with the borrowers, they should have some knowledge of the financial status of the borrowers, which in turn would smooth up the application process.

10. Dr LAM Tai-fai enquired about the number of cases among the approved applications in which PLIs had used SpGS loans to provide credit facilities to their existing customers whose original unused credit line had been cut or reduced. He was concerned that such cases would only help to reduce the risks exposure of the lending institutions rather than benefiting the SME borrowers.

11. In reply, the Deputy Director-General of Trade and Industry (DDG/TID) advised that the SpGS did allow PLIs to provide credit facilities to existing customers whose original unused credit line had been cancelled or reduced. However, according to the information given by PLIs in response to members' enquiry raised at the January Panel meeting, none of the approved applications as at January 2009 involved the provision of revolving credit facilities for their existing customers in place of their unused credit line.

Unsuccessful applications

12. The Deputy Chairman and Mrs Sophie LEUNG noted that as at 1 February 2009, a total of 588 applications had been rejected by PLIs on the grounds that the applicants' financial position was too weak, and a further 170 applications rejected on the grounds that the applicants could not demonstrate a reasonable prospect of their businesses. While agreeing that banks should be prudent in their credit assessment, members called on the Administration to follow up with the PLIs on

the rejected cases to ascertain whether the PLIs had been too stringent in their assessment, and to impress upon them to suitably relax their credit facilities, within bounds of prudent risk management, to financially viable enterprises to avoid worsening of unemployment problem.

13. The Deputy Chairman further pointed out that as lending institutions customarily referred to the same set of data maintained by the Commercial Credit Reference Agency as a basis for conducting credit assessments for SMEs, a case rejected by one PLI was likely to be refused by another PLI. Noting that "default" was narrowly defined as a failure to make repayment in accordance with the terms and conditions of the approved credit facilities with a lapse of more than 60 days after the due date, he was concerned that the safeguard measure requiring that the applicant company should have no "default" records in other banks would make it difficult for the concerned SME to obtain loan from other PLIs. He asked whether the Administration would consider relaxing the safeguard measures and reviewing the credit risk assessment criteria with PLIs.

14. USCED noted members' suggestion and highlighted that the safeguard measures and conditions attached to the schemes, as approved by the Finance Committee, were aimed at ensuring that public money was properly used and that the beneficiary companies were those with genuine needs and reasonable business prospects. Since the schemes involved the use of public funds, it was important to strike a balance between facilitating enterprises in obtaining loans and the prudent management of public coffer and financial risk. SME borrowers were free to choose from any of the PLIs and applicants rejected by one PLI could approach other PLIs on the participation list.

15. DDG/TID added that in line with the existing and previous Government loan guarantee schemes for SMEs, the operation of the SGS and the SpGS was market driven. PLIs, being commercial entities, would operate in accordance with commercial market principles. TID would rely on PLIs which had the professional expertise to exercise their prudential professional judgment in assessing the loan applications. Generally speaking, PLIs would examine SME borrowers' financial strength based on the financial information provided by SMEs concerned such as financial reports and statements, and cashflow position, while business prospects would be assessed on the basis of business nature, annual turnover, SME borrowers' business counterparts, and the business prospect of the industry sector concerned.

Progress of implementation

16. In response to Ms Emily LAU's enquiry about the progress in processing applications, USCED and DDG/TID advised that Annex II to the Administration's paper (LC Paper No. CB(1)768/08-09(03)), which was based on the bi-weekly statistics provided by the PLIs, had set out the position as of 1 February 2009. They reiterated that according to the statistics compiled by TID as at 16 February 2009, a total of 3 032 applications (878 under SGS and 2 154 under SpGS) had been forwarded to TID for processing, of which 2 543 applications had been

approved involving a total loan amount of more than \$5.4 billion.

17. Ms Emily LAU expressed grave concern that the processing of loan applications was too slow. She called on the Administration to urge PLIs to shorten the processing time as far as practicable so as to render timely assistance to ease SME borrowers' liquidity problem. She also suggested that more seminars be conducted to promote SMEs' understanding of the schemes and the application procedures.

18. In response, USCED said that members' concern about the time taken to process loans had been conveyed to PLIs. A letter had been issued to all PLIs urging them to expedite the vetting and processing of loan applications and to be accommodative and flexible, within bounds of prudent risk assessment, to the liquidity needs of their SME customers. The Administration would continue to liaise with PLIs to explore ways to streamline the loan application procedures and to speed up loan processing. To facilitate SMEs in making loan applications, TID, the Hong Kong Association of Banks (HKAB) and the Hong Kong Association of Restricted Licence Banks and Deposit-taking Companies (DTC Association) had jointly developed a "Guide for SMEs in Obtaining Business Loan from Lending Institutions" setting out the important points that the SMEs should note and the information required when applying for loans from PLIs. The Guide had been uploaded onto the websites of TID, HKAB and DTC Association to help SMEs, especially first-time applicants, to get a better understanding of the application procedures and documentation requirements for obtaining loans from PLIs. Seminars and forums would continue to be held on a regular basis to enhance SMEs' understanding of the bank requirements and the importance of providing sufficient and accurate financial information in support of loan applications.

19. Ms Emily LAU opined that the Administration should make available information on the implementation and utilization of the schemes with a detailed breakdown on the number of applications received, the amount of loans approved and the applications rejected along with the reasons for refusal to help members better assess the progress of implementation and the effectiveness of the schemes. She enquired about the unemployment rate and the number of winding up of companies since the financial turmoil as well as the Government's assessment of the economic prospect of Hong Kong amidst the deterioration of the external economic environment. She said that the said information was necessary to enable the Government and members to make timely decision on whether additional measures should be introduced to help local businesses weather the global financial crisis. Sharing a similar view, Mrs Sophie LEUNG urged the Administration to monitor closely changes in external economic environment as well as the overall market condition and to provide timely assistance to local businesses.

20. USCED noted members' views and said that the Administration would continue to keep track of developments and regularly update members on the implementation progress of the two schemes. DDG/TID advised that the Companies Registry and the Official Receiver's Office published monthly statistics

on voluntary and compulsory winding up cases in their websites. She undertook to provide statistics on winding up of companies in each month since October 2008.

Interest rates for the schemes

21. The Deputy Chairman enquired about the average interest rates charged on the approved loans. USCED replied that PLIs did not have a unified mechanism or method for setting interest rates for commercial lending. It would be a commercial decision between an individual PLI and its customer determined in accordance with market principles. Some PLIs would use the "best lending rate" or the "Hong Kong Interbank Offered Rate" as the basis for adjustment upwards or downwards, whereas others would use a fixed interest rate or different combination. According to a rough estimation, the interest rates charged for the majority (about 80%) of successful loans lied between the "best lending rate" and two percent over the "best lending rate".

Other concern

22. Referring to the breakdown of applications approved under SpGS as at 9 February 2009 set out in Annex I to LC Paper No. CB(1)768/08-09(03), Mrs Sophie LEUNG noted that 40.75% of the approved applications came from the manufacturing industry, while "import and export" classified under non-manufacturing industry stood at a high 25.77%. She enquired about the definition of "import and export" and the nature and scope of business of enterprises grouped under this category. She also queried whether lending institutions gave preferential treatment to the import and export industry in loan approval.

23. USCED said that the statistical breakdown on industries were compiled based on information provided by the applicants. The number of applications approved and the respective percentage in general were reflective of the general market demand for loans. The Administration undertook to provide the definition of "import and export" after the meeting.

(Post-meeting note: The information provided by the Administration had been issued to members vide LC Paper No. CB(1)1008/08-09(03) on 11 March 2009.)

V. Progress report on Hong Kong Special Administrative Region's participation in the World Exposition 2010 Shanghai China

(LC Paper No. CB(1)768/08-09(05) -- Administration's paper on HKSAR's participation in the World Exposition 2010 Shanghai China

LC Paper No. CB(1)768/08-09(06) -- Paper on Hong Kong Special Administrative Region's participation in the World Exposition 2010 Shanghai China prepared by the Legislative Council Secretariat (background brief))

Presentation by the Administration

24. At the invitation of the Deputy Chairman, the Permanent Secretary for Constitutional and Mainland Affairs (PSCMA) briefed members on the latest developments on the Hong Kong Special Administrative Region (HKSAR)'s participation in the World Exposition 2010 Shanghai China (Shanghai Expo) to be held from 1 May to 31 October 2010, and the proposal to create a supernumerary Administrative Officer Staff Grade C (AOSGC)(D2) post for a period of 20 months from 1 June 2009 to 31 January 2011 to coordinate preparations, oversee implementation, and undertake subsequent follow-up work. Subject to members' comments, the Administration would submit the staffing proposal to the Establishment Subcommittee (ESC) for consideration at its meeting on 29 April 2009.

Discussion

Business opportunities and estimated economic benefits

25. Dr LAM Tai-fai considered HKSAR's participation in the Shanghai Expo an excellent opportunity to showcase Hong Kong's quality metropolitan lifestyle and develop new business opportunities for Hong Kong enterprises. He enquired about the business opportunities arising from the Shanghai Expo and the measures undertaken to help Hong Kong businesses, in particular small-to-medium enterprises, capitalize on these opportunities.

26. In response, PSCMA said that the Bureau of Shanghai World Expo Coordination (Expo Bureau) had introduced to local chambers of commerce and trade associations business opportunities arising from the Shanghai Expo, and a roving exhibition staged in Hong Kong by the Expo Organizer in early 2009 to help Hong Kong enterprises better understand and tap the business opportunities. Hong Kong enterprises could take advantages of these business opportunities through participation in the brand name sponsorship and the trademark franchise scheme. In addition, the Commerce and Economic Development Bureau (CEDB) had been disseminating relevant information on business opportunities to local enterprises through chambers of commerce and industry bodies. In fact, CEDB had alerted the catering sector in late December 2008 about Expo Bureau's tendering exercise for catering services in specific areas of the Expo Park.

27. Ms Emily LAU said that according to Government Economist's preliminary assessment, the Shanghai Expo was likely to generate an additional income of \$288

Admin

million to \$432 million to the overall economy, mainly in the inbound tourism industry. It was anticipated that various sectors in the creative industry would benefit from the employment and contracting opportunities arising from the exhibitions and other Expo-related events. In this connection, the Deputy Chairman remarked that the tourism industry had expressed concern that projected economic benefits from inbound tourism might be significantly reduced due to the financial turmoil. At Ms LAU's request, the Administration undertook to include in the submission to the ESC an estimate and quantitative analysis on the anticipated economic benefits to the overall economy of Hong Kong and to various sectors of the creative industry in terms of job opportunities for local work force, in particular, creative talents.

Sponsorship

28. Noting that the Administration would actively seek sponsorship funding from local commercial corporations, community organizations and individuals, Dr LAM Tai-fai enquired whether the Administration had set any target for the sponsorship. PSCMA replied that no specific target had been set. To promote community involvement and to supplement Government funding, the Administration had identified a number of potential sponsors and relevant bureaux/departments would solicit their interest. The Administration would also compile a list of items, programmes and activities for possible sponsorship opportunities. Such sponsorship could be in cash or in kind and could be offered as a general contribution or to support designated events or purposes. He assured members that the Administration would make the best effort to solicit sponsorship, particularly in the face of the current bleak economic climate.

Revised funding requirements

29. The Deputy Chairman enquired whether the costs for the design and construction of exhibits as well as the fitting-out of the exhibition area could be scaled down in view of the current economic downturn. PSCMA replied that contracts for the Hong Kong Pavilion (HKP) and the Hong Kong Urban Best Practices Area (UBPA) Exhibition were awarded in accordance with established tendering procedures. The tender exercise for the selection of the contractor to carry out detailed design and construction of the HKP had been completed and the awarded contract sum was lower than the estimated commitment. Tender specifications for the "design and execution" and for "project management" of the UBPA Exhibition were under preparation and it was difficult at the present stage to forecast whether there would be any cost saving.

Expo On-line

30. Dr LAM Tai-fai expressed concern whether the Expo On-line initiative to create a "virtual pavilion" on the Internet would help attract online visitors, in particular, youths who were the majority Internet users. In response, PSCMA said that an Online HKP would be constructed as part of the "Expo Shanghai Online" hosted by the Expo Organizer to provide online experience of both the HKP and the

UBPA Exhibition. He said that the initiative was still at its initial design and planning stage. The Administration would endeavour to enrich the content of the "virtual pavilion" to make it attractive not only to youths but also all sectors of the community. In view of the high Internet penetration, it was hoped that the Online HKP could help attract online visitors from Hong Kong and overseas, and also provide an enhanced virtual Expo experience for those who wanted to but were unable to make it to Shanghai.

Smart card applications

31. Referring to the smart card technologies proposed to be featured in the UBPA Exhibition, Ms Emily LAU expressed concern that some of the applications, such as the use of smart cards to facilitate the rollout of elderly health care voucher and to access the electronic health records of patients, were only at pilot stage and yet to be implemented in Hong Kong. She requested the Administration to draw up a timetable for developing and implementing the various smart card applications and to regularly update the Panel on the progress.

32. In response, the Deputy Secretary for Commerce and Economic Development (Communications and Technology) assured members that the Administration would continue to pursue the wider applications of smart cards and engage the local creative industries to enrich the content of the UBPA Exhibition to showcase Hong Kong's innovative use of smart cards to enhance connectivity and improve efficiency and quality of life in this digital age.

Publicity and promotion

33. In response to the Deputy Chairman's enquiry about the publicity and promotion plan for HKSAR's participation in the Shanghai Expo, PSCMA said that the Administration attached great importance to publicizing the key messages of the HK Pavilion/UBPA Exhibition so as to enhance public interest in the Shanghai Expo and to leverage on the business opportunities arising from it. Publicity and promotion had been one of the priority works. An Expo Promotion Week featuring an exhibition at the Old Central Police Station and a series of seminars and related activities had been organized in conjunction with the Expo Bureau in October 2008. Promotion activities including the roving exhibition staged by the Expo Organizer had been conducted. Plans for further publicity activities both during the run-up to the Shanghai Expo and throughout the Expo period were being drawn up. These included forums, seminars, exhibitions, parades, movie shows, fashion shows and other publicity events. A dedicated website would also be launched to promote Hong Kong's participation in the Shanghai Expo.

Staffing proposal

34. Ms Emily LAU noted that the proposed creation of the supernumerary AOSGC post would require an additional notional annual salary cost at mid-point of \$1,518,000, and the additional full annual average staff cost, including salaries and staff-on-cost, was \$2,144,000. She questioned whether the creation of the

AOSGC post was necessary, and said that Members of the Democratic Party had yet to form a view on the staffing proposal.

35. In response, PSCMA explained that the work for preliminary planning and preparations for HKSAR's participation in the Shanghai Expo was previously undertaken by an existing AOSGC in addition to his other duties. With increasing workload for detailed planning and coordination of logistics as the opening of the Shanghai Expo drew near, this stop-gap arrangement was no longer operationally feasible. A six-month supernumerary AOSGC post designated "Expo Coordinator" was therefore created since 1 December 2008 under delegated authority.

36. Referring to the proposed job description of the Expo Coordinator and the duties and responsibilities of the existing Principal Assistant Secretaries (Constitutional and Mainland Affairs) (PAS(CMA)s) set out at Annexes I and III to LC Paper No. CB(1)768/08-09(05), PSCMA gave an account of the present and future work and the responsibilities of the PAS cum Administrative Assistant to Secretary for Constitutional and Mainland Affairs as well as the existing seven PAS(CMA)s. He said that given the scale and complexity of the initiative and the heavy workload involved, the additional work arising from the Shanghai Expo could not be absorbed by the existing PAS(CMA)s who were already fully committed. He highlighted that it was essential to retain the existing supernumerary post, which was due to lapse on 1 June 2009, for the effective planning and management of the HKP and coordination of activities in the run up to and during the six-month period of the Shanghai Expo in 2010 as well as the post-Expo follow-up work. He added that in the Administration's Paper FCR(2008-09)38 submitted for FC's consideration at its meeting on 4 July 2008, the Administration had mentioned the need to strengthen staffing support at both directorate and non-directorate levels by setting up a core work unit to undertake the overall co-ordination work and oversee project implementation.

37. Dr LAM Tai-fai supported the proposed creation of a time-limited supernumerary AOSGC post dedicated to coordinate preparation works, oversee implementation, and undertake the necessary follow-up work. He considered it important to ensure every success in the Expo so as to leverage on the opportunities presented by the Expo to promote the image of Hong Kong as a city of creativity and quality living and to showcase Hong Kong's strengths, attraction and creative talents.

38. The Deputy Chairman informed the meeting that the Panel Chairman and Mr Tommy CHEUNG, who were both out of town, had indicated their support for the proposed creation of a time-limited AOSGC post.

Summing up

39. In concluding the discussion, the Deputy Chairman said that members in general supported the proposed staffing proposal for submission to the ESC in April 2009. Ms LAU requested the Administration to provide in the ESC submission its

updated assessment of the anticipated economic benefits to be gained from Hong Kong's participation in the Shanghai Expo and, as appropriate, to further address the issues raised at this Panel meeting regarding sponsorship, funding requirements and development of smart card applications.

Admin

40. Members called on the Administration to seriously consider arranging a Panel visit to Shanghai in future so as to enhance their understanding on the implementation progress of Hong Kong's participation in the Shanghai Expo. PSCMA noted members' request for consideration and undertook to regularly update the Panel on the latest progress of the HKSAR's participation in the Shanghai Expo.

VI. Any other business

(LC Paper No. CB(1)768/08-09(07) -- Hon Emily LAU Wai-hing's letter on proposal to undertake an overseas duty visit to Taiwan dated 22 January 2009)

Duty visit to Taiwan

41. The Deputy Chairman invited members' views on Ms Emily LAU's proposal for the Panel to undertake an overseas duty visit to Taiwan. Mr Fred LI and Mrs Sophie LEUNG expressed interest in the visit. Members noted that the Chairman and some members of the Liberal Party were visiting Taiwan studying measures to boost the economy in Taiwan. Members also noted that the Research and Library Services Division of the Legislative Council Secretariat would prepare an information note on economic and trade co-operation between Hong Kong and Taiwan for members' reference. Members agreed that the matter be discussed at the next Panel meeting after the Chairman's return to Hong Kong.

42. There being no other business, the meeting ended at 4:15 pm.