

**Replies to initial written questions raised by Finance Committee Members in
examining the Estimates of Expenditure 2011-12**

**Director of Bureau : Secretary for Commerce and Economic Development
Session No. : 5**

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Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)001

Question Serial No.

0817

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is mentioned in paragraphs 75 and 76 of the Budget Speech that in view of the development of headquarters economy in Hong Kong, the Government will step up promotion efforts, take the initiative in approaching overseas enterprises and encourage them to set up business here. In the meantime, the Government will also provide aftercare services and support to foreign companies already established in Hong Kong. Please inform this Committee:

- (a) What measures will the Government put in place to attract more foreign and Mainland enterprises to come to make direct investment in Hong Kong, and what is the amount to be involved?
- (b) Whether the Government will reserve funds for providing subsidies to overseas, Mainland and Taiwan enterprises which set up headquarters in Hong Kong?

Asked by : Hon. CHAN Kin-por

Reply :

- (a) The Government will step up its promotional efforts and proactively approach those international corporations with the potential for overseas expansion through the services provided by Invest Hong Kong (InvestHK). The overseas representatives of InvestHK, located in 26 cities worldwide, will work closely with the investment promotion staff at InvestHK's headquarters to provide one-to-one advisory service and practical support to overseas and Mainland companies to assist them in setting up in Hong Kong. InvestHK will also organise seminars and sector-specific workshops, as well as carry out marketing and public relations campaign in overseas and the Mainland markets, to promote the business-friendly environment of Hong Kong and its advantages as a base for overseeing regional operations. For companies already established in Hong Kong, InvestHK will strengthen its aftercare support services for these companies, with particular regard to strategic sectors where Hong Kong has clear advantages, to support retention and expansion of investments.

InvestHK will carry out the above initiatives through internal redeployment of existing resources under Head 79 - Invest Hong Kong.

- (b) Our investment promotion strategy is to provide strong support services and infrastructure, as well as a level-playing field for all companies operating in Hong Kong regardless of their origin, instead of giving subsidies or other favourable treatment to foreign investment or tailor-made special packages for individual foreign investors not generally available to local companies. Our fundamental strengths and advantages as the world's leading business centre and financial hub, as well as our unique position as a natural gateway to the Mainland, has continued to attract overseas and Mainland companies to establish their regional headquarters or offices in Hong Kong. Building on Hong Kong's competitive edges, the Government will continue to reinforce its attractiveness to foreign investment through a simple tax regime, sector-specific assistance and support, and funding support to enterprises operating in Hong Kong.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)002

Question Serial No.

3851

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

According to the industry, Hong Kong surpassed New York to become the world's largest wine auction centre in 2010. What is the estimated total value of wine imports in 2011-12 following the exemption of wine duty from February 2008 onwards? What is the percentage of increase or decrease over the estimate for the previous year? What initiatives will the Government take to maintain Hong Kong's status as the world's largest wine auction centre? What is the estimated expenditure involved?

Asked by : Hon. CHAN Mo-po, Paul

Reply :

To help the industry tap the business opportunities arising from the growing demand for wine across Asia (especially the Mainland), the Government exempted the wine duty in February 2008 and had since rolled out a number of supportive measures. The market response has so far been positive. Total wine imports into Hong Kong reached \$2.9 billion, \$4.0 billion and \$6.9 billion in 2008, 2009 and 2010 respectively, representing year-on-year increases of 80%, 41% and 73%.

We have not made any projections about the value of wine imports for 2011-12 or the magnitude of change relative to last year. Market conditions could fluctuate, affected as they may be by many factors. That said, the industry is generally upbeat about the prospects of wine-related business in Asia (particularly Mainland China) in the medium and longer term. According to a recent market survey conducted by Vinexpo, the industry forecasts that the consumption of wines in Mainland China (including Hong Kong) would grow by 19.6% from 2010 to 2014 (relative to the period between 2005 and 2009).

Attracted by our wine duty exemption and the solid demand for quality wines from Asian buyers which emerged in recent years, an increasing number of industry players come to realise the advantages that Hong Kong offers as an ideal platform for tapping the Asian (in particular Mainland) market. For example, we have a bilingual environment with a wealth of seasoned professionals proficient in Chinese and English. Our traders have years of experience in providing connectivity to the Mainland market. Hong Kong people also understand the wining and dining preferences of Asians. Accordingly, the industry has brought many wine-related sale and promotion activities here, including auctions for fine and rare wines. According to the industry, in terms of sales value, Hong Kong became the largest wine auction centre in the world in 2010.

In the coming year, we will continue to roll forward and keep up the momentum of our supportive measures. They include maintaining the present simple import/export procedures, ensuring the availability of quality wine storage facilities through a certification scheme, combating wine counterfeits, strengthening manpower training and education, encouraging more wine-related events to be held in Hong Kong through the co-operation agreements that we have signed with wine-producing countries/regions, as well as assisting auction houses to set up a presence here.

In 2011-12, we will continue to use existing manpower resources to absorb the extra work arising from the implementation of the above supportive measures.

Signature _____

Name in block letters _____ **Andrew HY WONG** _____

Post Title _____ **Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)** _____

Date _____ **16.3.2011** _____

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)003

Question Serial No.

3868

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the aim of “enhancing the long-term competitiveness of small and medium enterprises (SMEs), could the Administration inform this Committee of the present percentage contribution of SMEs to the Gross Domestic Product of Hong Kong; and whether the provision of about \$150 million is adequate to cope with the related workload?

Asked by : Hon. Chan Mo-po, Paul

Reply :

The Administration does not have information on the percentage contribution of small and medium enterprises (SMEs) to the Gross Domestic Product of Hong Kong, suffice for it to say that SMEs have always been the backbone of Hong Kong's economy. There are about 290 000 SMEs in Hong Kong, accounting for over 98% of all local enterprises, and employing 1.22 million persons, constituting about 48% of total employment in the private sector. The Government attaches great importance to the development of SMEs.

The estimated expenditure in 2011-12 for Programme(2) Commerce and Industry is about \$150 million. It is mainly for the manpower and operating expenditure for handling this programme area. It does not include the funding allocated to the Trade and Industry Department (TID) for its specific measures to assist SMEs. In 2011-12, the estimated expenditure for TID's SME Funding Schemes (including the SME Loan Guarantee Scheme, SME Export Marketing Fund and SME Development Fund) is \$386 million. We plan to increase the total guarantee commitment under the SME Loan Guarantee Scheme substantially from \$20 billion to \$30 billion. In addition, we also plan to inject an additional \$1 billion into the SME Development Fund and SME Export Marketing Fund. As regards the Support and Consultation Centre for SMEs, the estimated expenditure (excluding the personnel-related expenses) for 2011-12 is about \$1.4 million.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)004

Question Serial No.

3869

Head : Head 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Will the Administration inform this Committee of the establishment for the scrutiny of the Competition Bill (Bill) in 2011-12? With regard to paragraph 15 under this programme, why will the Administration begin preparatory work on the establishment of a Competition Commission and a Competition Tribunal before the passage of the Bill; and what are the administrative expenses involved?

Asked by : Hon. CHAN Mo-po, Paul

Reply :

Concerning the manpower in the Commerce and Economic Development Bureau responsible for the scrutiny of the Competition Bill (the Bill), they have been subsumed in the staffing provision of Head 152 and cannot be itemised separately.

In 2011-12, we have earmarked \$45.23 million under Programme (4) for the establishment and initial operation of the Competition Commission (Commission) should the Bill be enacted within 2011-12. The provision is mainly for the recruitment and employment of the Commission's staff, preparation of office accommodation for the Commission, and research and promotional work by the Commission. The actual work plan and expenditure will depend on the legislative progress of the Bill.

The provision for the Competition Tribunal is reflected in Head 80 – Judiciary.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)005

Question Serial No.

3870

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to the Government's injection of \$10 million into the Consumer Legal Action Fund (CLAF) in 2010-11, will the Administration inform this Committee of the current balance of the CLAF; if it is sufficient to cope with the eligible applications; and if any provision will be reserved for the CLAF?

Asked by : Hon. CHAN Mo-po, Paul

Reply :

As at 28 February 2011, the balance of the Consumer Legal Action Fund (CLAF) stood at around \$21.5 million. To ensure that sufficient resources are available under the CLAF to assist consumers with meritorious claims, the Government will closely liaise with its trustee, i.e. the Consumer Council, and monitor the financial position of the Fund.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)006

Question Serial No.

3871

Head : 152 Government Secretariat: Subhead (No. & title) : 000
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : -

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

An estimated provision of about \$2.1 million is earmarked under the operational expenses for the "Civil Service Provident Fund contribution" in 2011-12, representing an increase of 142% over the revised estimate for 2010-11. Could the Administration inform the Committee of the reasons for the increase?

Asked by : Hon. CHAN Mo-po, Paul

Reply :

Under Subhead 000 Operating Expenses, the estimate for 2011-12 (\$2.102 million) for Civil Service Provident Fund (CSPF) is \$1.234 million (142%) higher than the revised estimate for 2010-11 (\$0.868 million). The increased provision is due to the increased number of officers eligible for the CSPF scheme next year. Eligible officers are those appointed to the civil service on or after 1 June 2000 on new entry terms who then progress onto new permanent terms of appointment upon completion of probation and/or agreement.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

As unsuccessful applicants of MEF can re-submit fresh applications in the next round and to avoid causing any prejudice, it is the established practice for the MEF Assessment Committee not to disclose the identity of unsuccessful applicants or the details of their applications without the consent of the applicants. Nevertheless, the secretariat of the Assessment Committee will notify unsuccessful applicants individually and give an account of the reasons upon their requests, with a view to helping to improve their future applications, if they wish to re-apply.

As regards the economic benefits of the event, the information submitted by the applicants reveals that the MEF supported events are expected to attract over 600 000 participants, including 135 000 visitors, and create around 6 900 jobs. The events have added colour and vibrancy to Hong Kong's city life and boosted Hong Kong's status as an events capital of Asia. They can attract more visitors to Hong Kong specifically for the events or increase their length of stay. With MEF funding, the organisers can expand the scale of the events, enhance their publicity work outside Hong Kong and raise the events' international profile. The Hong Kong Tourism Board (HKTB) can also leverage on the opportunities to include these events into its promotional plan and adopt different advertising channels (such as newsletters/internet portals coverage, trade notices and advertising boards at different tourist spots) to maximize the publicity effect. Through co-operation with trade partners in neighbouring tourist destinations, the HKTB has also developed special tour packages to attract visitors to Hong Kong for these events.

The MEF has an unallocated balance of \$47 million and this is sufficient to meet the funding demand in the coming year.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)008

Question Serial No.

0135

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide the following information on the Hong Kong Trade Development Council (HKTDC):

- (a) As the HKTDC not only generates an income from its management of the Hong Kong Convention and Exhibition Centre but also a huge annual income from its exhibition business as Hong Kong's largest trade fair organiser, has the Administration reviewed the subvention currently provided for the HKTDC? If yes, what are the details and findings of the review? If not, what are the reasons?
- (b) Will the Administration allocate resources for reviewing the roles and functions of the HKTDC in the 2011-12 financial year, and where necessary, reviewing and making amendments to the Hong Kong Trade Development Council Ordinance? If yes, what are the work plan, estimated expenditure and timetable? If not, what are the reasons?

Asked by : Hon. CHAN Tanya

Reply :

- (a) The trade declaration charge was introduced in the 1960s to fund the work of the Hong Kong Trade Development Council (HKTDC). Since then, we have conducted a number of reviews and changed the subvention arrangement, taking into consideration HKTDC's actual need and the Government's financial position. Government subvention to HKTDC as a percentage of HKTDC's total annual expenditure has been declining from 47% in 1996-97 to about 16% in 2011-12. Currently, the subvention to HKTDC is determined having regard to the Government's financial position, HKTDC's funding requirements, new demands for trade-related services, inflation/deflation situation, and by way of reference to a ceiling set at 60% of the total amount of trade declaration charges received in the preceding year.

- (b) HKTDC was established under the Hong Kong Trade Development Council Ordinance (Cap. 1114). Its functions are to promote, assist and develop Hong Kong's trade with places outside Hong Kong, with particular reference to exports; and to make such recommendations to the Government as it sees fit in relation to any measures which it considers would achieve an increase in Hong Kong's trade. HKTDC has fulfilled its functions and has been assisting a lot of Hong Kong companies especially SMEs to successfully expand their markets and promote their goods and services. We consider that it is not necessary to review the roles and functions of HKTDC in 2011-12 financial year.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)009

Question Serial No.

0136

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

According to the Administration, resources will be allocated in 2011-12 so as to continue to oversee the effective implementation and further development of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). Many members of the business community, especially small and medium enterprises and professionals, reflected that they encountered a lot of problems and difficulties in their operation even though they entered the market under the preferential treatments provided by the CEPA. In view of this, will the Administration introduce more specific measures in the 2011-12 financial year to help our enterprises and professionals in the Mainland market overcome the operational difficulties? If yes, what is the action plan and estimated expenditure? If not, what are the reasons?

Asked by : Hon. Tanya CHAN

Reply :

The Government attaches great importance to the effective implementation and further development of the "Mainland and Hong Kong Closer Economic Partnership Arrangement" (CEPA). We work closely with the Mainland authorities at central, provincial and municipal levels, to address and follow up on problems encountered by Hong Kong enterprises (including the small and medium enterprises and professionals) in using CEPA preferential treatments in the Mainland. Apart from providing free information and advisory services on CEPA, the Trade and Industry Department (TID) has established a notification mechanism with the Mainland authorities on the promulgation of relevant regulations and implementation details, and disseminates relevant information on its CEPA website for reference by the trade. Hong Kong enterprises can also approach the Hong Kong Trade Development Council China Business Advisory Unit, which comprises representatives from the Ministry of Commerce, Guangdong Province, Shanghai Municipality and Fujian Province, for advice on the regulatory regime and application details of the relevant service industries in the Mainland. If Hong Kong enterprises encounter difficulties in using CEPA benefits, they can contact TID, offices of the HKSAR Government in the Mainland, or the relevant policy bureaux and departments. We will render assistance as appropriate having regard to the nature of the problems involved.

The CEPA-related work outlined above is carried out by a number of government agencies. The Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) is responsible for the overall policy on CEPA; TID oversees bilateral discussions on the further development of CEPA and effective implementation of liberalisation measures under CEPA; and individual bureaux and departments deal with specific issues related to development and implementation of CEPA in the relevant service sectors. The resource requirements are absorbed by relevant bureaux/departments respectively, and we do not have information on the actual amount involved.

Signature _____
Name in block letters Andrew HY WONG
Post Title Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)
Date 16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)010

Question Serial No.

0137

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is indicated that the Administration will work with the industry to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital in 2011-12. Will the Administration please state the specific work plan and the estimated expenditure in this respect? Will there be any targeted work plan to further promote the "one show, two venues" arrangement? If yes, what are the details of the work plan and the estimated expenditure involved? If not, what are the reasons?

Asked by : Hon. CHAN Tanya

Reply :

Regarding the promotion of MICE tourism, the Hong Kong Tourism Board (HKTb) has all along been working closely with the MICE (Meetings, Incentive travels, Conventions and Exhibitions) and tourism trades. In the 2008-09 Budget, an additional \$150 million was earmarked to enhance MICE promotion over the following five years. In 2011-12, the Government will continue to allocate \$30 million out of this additional funding to the HKTb for promoting MICE tourism. In 2011-12, the HKTb will work with the trades in the following areas -

- Conducting a series of promotional activities in various target markets and working with the government's overseas Economic and Trade Offices, Invest Hong Kong, Hong Kong Trade Development Council and the Hong Kong Exhibition and Convention Industry Association to enhance the brand image of Hong Kong as a premier MICE destination;
- Assisting the trades in identifying and bidding for MICE events, providing more information about organising MICE events, and jointly lobbying and bidding for more MICE events to be staged in Hong Kong;
- Organising trade delegations to participate in overseas trade shows, familiarisation visits and seminars to assist local MICE service suppliers to reach out to and promote their products to overseas major MICE event organisers and event management companies;

- Referring local trade members who can operate various support and logistical services to MICE event organisers while providing one-stop support to the latter; and
- Partnering with the tourism, airline, hotel, retail and catering trades through the “Business Right Here!” campaign to provide value-added offers on airfares, shopping, sightseeing and dining to MICE visitors, with a view to encouraging them to visit our attractions and stimulating their consumption, thereby benefiting our tourism and related industries.

The “one show, two venues” arrangement is an approach which may be adopted by an exhibition organiser based on market needs. Where necessary, the Government will provide facilitation on transport and other logistic arrangements as far as possible.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)011

Question Serial No.

0138

Head : Head 152 - Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Will the Administration allocate resources in 2011-12 for reviewing the existing funding and loan schemes for small and medium enterprises (SMEs) and making amendments to the schemes where necessary? If yes, what are the details and expenditure? If not, what are the reasons?

Asked by : Hon. CHAN Tanya

Reply :

The Government closely monitors and reviews from time to time the operation of various funding and loan schemes for small and medium enterprises (SMEs). We take into account all relevant factors, including the market situation and the needs of the trade, and make timely adjustments so that appropriate assistance can be provided to the trade. The manpower and expenditure in relation to the relevant work have been subsumed into the bureau and the Trade and Industry Department. It is difficult to quantify them separately. We plan to increase the total guarantee commitment under the SME Loan Guarantee Scheme substantially from \$20 billion to \$30 billion. In addition, we also plan to inject an additional \$1 billion into the SME Development Fund and SME Export Marketing Fund, to continue to support SMEs in market promotion and enhancing their competitiveness.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)012

Question Serial No.

2224

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Administration states that it will continue with the planning and implementation of projects under the Tourism District Enhancement Programme, including the projects at Aberdeen, Lei Yue Mun and Tsim Sha Tsui. Does the Government have any plan to launch other new improvement projects? If yes, please provide details of these projects and their expenditure estimates.

Asked by : Hon. CHAN Tanya

Reply :

We have all along been promoting diversification in tourism development. We have been actively implementing a number of infrastructural projects, including the construction of a cruise terminal at Kai Tak, and monitoring of the expansion of the Hong Kong Disneyland and redevelopment of the Ocean Park. Details and estimated expenditure of the above projects are as follows:

(a) Cruise terminal project at Kai Tak

The cruise terminal project at Kai Tak is being taken forward in full swing. The site formation works and terminal building works already commenced in November 2009 and May 2010 respectively. The terminal building and the first berth are expected to come into operation in mid-2013. The estimated total project cost is \$8.156 billion and the estimated expenditure in 2011-12 is \$2.04 billion.

(b) Expansion of the Hong Kong Disneyland

The expansion of the Hong Kong Disneyland is proceeding as planned. Upon completion of the expansion, three brand new themed areas will be added to the Park with the first one (Toy Story Land) to be completed by the end of 2011. The estimated cost of the Hong Kong Disneyland's expansion is \$3.63 billion which is to be paid by the joint venture company of the Government and The Walt Disney Company. There is no need for the Government to inject any new capital for the expansion.

(c) Redevelopment of the Ocean Park

The Ocean Park is implementing in full swing its Master Redevelopment Plan, the estimated cost of which is \$5.55 billion. One of the major new attractions 'Aqua City', which consists of one of the largest aquaria in Asia and an aquarium restaurant, was opened in January 2011. Other new attractions such as 'Rainforest' and 'Thrill Mountain' are expected to be completed in April and September this year respectively. Upon completion by 2012, the Park will become a world-class marine-themed park featuring more than 70 attractions.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

**Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)**

Date _____

16.3.2011

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)014

Question Serial No.

2226

Head : 152 Government Secretariat:
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch) Subhead (No. & title) :

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Administration indicates that it will review the current operation and regulatory framework of the tourism sector. Would the Administration please inform this Committee of the specific plan, timetable and estimated expenditure of the review? Would public consultation be conducted as part of the review? If yes, what are the details of the consultation exercise? If no, what are the reasons?

Asked by : Hon. CHAN Tanya

Reply :

We are reviewing the operation and regulatory framework of our tourism sector. We had an initial exchange of views with Members of the Legislative Council Panel on Economic Development at its meeting on 28 February 2011. We plan to launch a two to three-month consultation with the public and the trade in April 2011. Taking into account the views collected in the consultation, we will formulate concrete proposals on reforming the regulatory framework of the tourism sector. We expect to announce the proposals in the fourth quarter of 2011.

The expenditure of the above tasks has been subsumed into the provision for 2011-12 for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)016

Question Serial No.

2228

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the operation of Mega Events Funds, will the Administration inform this Committee:

- (a) whether it has drawn up any fund allocation scheme for the Mega Events Fund for 2011-12? If yes, please provide details of the scheme, including the nature, contents, launch date and expenditure estimates of the funded events;
- (b) whether it has set aside any resources for reviewing the effectiveness and future development of the Mega Events Fund in 2011-12? If yes, please inform this Committee of the plan, timetable, and expenditure estimates of the review. If not, please state the reasons.

Asked by : Hon. Tanya CHAN

Reply :

- (a) The Mega Events Fund (MEF) was established in May 2009 following funding approval of the Finance Committee of the Legislative Council. Since its inception, four rounds of applications were completed and a total sum of \$53 million has been granted to support 14 mega events. The information submitted by the applicants reveals that the MEF supported events are expected to attract over 600 000 participants, including 135 000 visitors, and create around 6 900 jobs. The events have added colour and vibrancy to Hong Kong's city life and boosted Hong Kong's status as an events capital of Asia. They can attract more visitors to Hong Kong specifically for the events or increase their length of stay.

Amongst the MEF supported events, four will be held in 2011-12, involving a funding of \$23 million. Meanwhile, we shall soon commence the fifth round of MEF applications, and we expect that funding support for more events will be approved. The number of mega events to be supported, as well as their nature and funding amount, will depend on the number of applications received and how many of them can successfully go through the assessment procedures.

Details of the aforementioned four MEF supported events to be held in 2011-12 and their amount of funding are provided in the table below.

Project title	Nature	Time	Upper limit of funding
Hong Kong Dragon Boat Carnival 2011	Traditional cultural activity with strong sports element	17-19 June 2011	\$4 million
Hong Kong International Jazz Festival 2011	Large-scale music festival	25 September – 2 October 2011 (Tentative)	\$3 million
UBS Hong Kong Open Championship 2011	International golf tournament	1- 4 December 2011	\$8 million
Hong Kong Women's Open	International golf tournament	March 2012 (Tentative)	\$8 million

- (b) The Tourism Commission (TC) has been looking at the operation of MEF from time to time, having regard to the experience accumulated since the Fund's inception. In 2011-12, TC will conduct a review on various aspects of the MEF. We will deploy existing manpower and resources to carry out this task without incurring additional expenditure.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)017

Question Serial No.

2229

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

I have been receiving complaints from the public about the inadequacies of the Consumer Council (the Council) as a mediator. They noted that the Council failed to resolve the disputes between the public and the shop proprietors effectively. Will the Government allocate resources to review the functions and role of the Council in 2011-12? If yes, please provide details of the work plan, timetable and expenditure estimates. If not, please state the reasons.

Asked by : Hon. Tanya CHAN

Reply :

In 2010-11, the Government conducted a review and public consultation on how to enhance legislative protection against unfair trade practices. The review covered the role of the Consumer Council. Aside from recommending that certain commonly seen unfair trade practices be made criminal offences, another recommendation is to establish a compliance-based enforcement mechanism. Under the proposed mechanism, law enforcement agencies will look into complaints and, if justified, seek undertakings from businesses to stop an offending act. Law enforcement agencies may apply to the court for an injunction if a business breaches any undertaking it has given or under other circumstances as the agencies see fit. The Consumer Council will continue to play an important mediating role under the proposed regime. We expect that the effectiveness of the Council's mediation work would be enhanced with the back-up of the compliance-based mechanism and possible criminal prosecution by the law enforcement agencies.

We are now working on the drafting of legislative amendments to implement the recommendations. We hope to be able to introduce the amendments into this Council in the current legislative session.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)018

Question Serial No.

2230

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Government is going to introduce a bill on curbing undesirable sales practices into the Legislative Council. In this connection, has the Government any plan to allocate additional resources to the Consumer Council to facilitate its work and publicity after the passage of the new legislation in 2011-12? If yes, what are the details, timetable and estimated expenditure of the work plan? If no, what are the reasons?

Asked by : Hon. Tanya CHAN

Reply :

The Consumer Council has earmarked about \$1 million in 2011-12 to undertake publicity and educational activities on unfair trade practices and other matters of consumer interest. The Council is preparing a work plan.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)019

Question Serial No.

2231

Head : Head 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

As the Competition Bill is under consideration by the Legislative Council, it may be enacted in the financial year of 2011-12. Has the Administration made any specific plan to implement the legislation in this financial year? If yes, what are the details, estimated expenditures and timetable of the plan? If no, what are the reasons?

Asked by : Hon. CHAN Tanya

Reply :

In 2011-12, we have earmarked \$45.23 million under Programme (4) for the establishment and initial operation of the Competition Commission (Commission) should the Competition Bill (the Bill) be enacted within 2011-12. The provision is mainly for the recruitment and employment of the Commission's staff, preparation of office accommodation for the Commission, and research and promotional work by the Commission. The actual expenditure and the timetable will depend on the legislative progress of the Bill.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)020

Question Serial No.

2232

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Administration has indicated that legislation will be prepared to tackle unfair sales practices in 2011-12. Could the Administration specify the action plan, the estimated expenditure involved and the work schedule?

Asked by : Hon. Tanya CHAN

Reply :

The Government is committed to tackling unfair trade practices with a view to protecting consumer interests and ensuring a level playing field for business. Following the public consultation on a package of legislative proposals last year, we issued a consultation report and briefed the Panel on Economic Development of this Council on the consultation outcome and way forward in January this year.

Overall, our package of proposals receives community support. We are now working on the drafting of legislative amendments. We hope to introduce the amendments into this Council in the current legislative session.

As regards the manpower and expenditure in relation to the drafting of legislative amendments, the head-count and salaries of officers involved have been subsumed into the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify them separately.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)021

Question Serial No.

0533

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Administration noted that the provision for 2011-12 is \$56.4 million (52.5%) higher than the revised estimate for 2010-11, which was mainly due to the anticipated increase of cash flow requirement for the Mega Events Fund arising from a lower than expected cash flow requirement in 2010-11.

Please explain the anticipated increase of cash flow requirements for Mega Events Fund and the significant increase by 52.5% in the provision for 2011-12.

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

The Mega Events Fund (MEF) was established in May 2009 following funding approval of the Finance Committee of the Legislative Council. Since its inception, four rounds of applications were completed and a total sum of \$53 million has been granted to support 14 mega events.

The cash flow requirement for the MEF in 2010-11 was lower than expected. This is mainly because one of the approved events, “Louis Vuitton Hong Kong Trophy”, originally planned to be hosted in the year was subsequently cancelled due to the schedule change of other international sailing events, hence the approved funding of \$10 million has not been taken up by the applicant. Besides, the remaining funding for four approved events will be disbursed in 2011-12. Meanwhile, the level of funding for some events was also lower than expected. In view of the above, the revised estimate of the MEF in 2010-11 is \$20 million, 50% less than the original estimate.

We anticipate that the cash flow requirement for the MEF will increase in 2011-12. Apart from the need to disburse the remaining funding for the four events in 2011-12 as mentioned above, another four approved events will be held in 2011-12 and require funding in the year. At the same time, we shall soon commence the invitation for the fifth round of MEF applications. We expect that funding support for more events will be approved. Therefore, it is necessary to earmark sufficient provisions to meet the funding need.

Signature	_____
Name in block letters	_____ Andrew HY WONG _____
Post Title	_____ Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) _____
Date	_____ 16.3.2011 _____

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)022

Question Serial No.

0814

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (1) Director of Bureau's Office

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Provision for 2011-12 will be increased by \$1.9 million (19.6%). This is mainly due to the provision required for the creation of one position of Political Assistant. Could the Administration elaborate on the justifications? Has it assessed the level of public support for the creation of such a position?

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

As from 2008-09, the Commerce and Economic Development Bureau has reserved provision for the creation of one position of Political Assistant every year. The revised estimate for 2010-11 is lower than the original estimate because the position has yet to be filled with a suitable candidate.

Regarding the filling of Political Assistant vacancies in the Government, the Government's consistent position is that, if there are suitable candidates, such positions will be filled. If necessary, this could be done in phases.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)023

Question Serial No.

1819

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

There are comments that the events sponsored by the Mega Events Fund have such shortcomings as failing to reach international standards, lacking innovative ideas and distinctive features, neglecting the elements of local culture, rejecting applications from international organisers, etc.

Has the Administration evaluated the contribution made by the events sponsored by the Mega Events Fund to the tourism of Hong Kong? In what ways can the Mega Events Fund be improved?

Asked by : Hon. CHAN Wai-yip, Albert

Reply :

The Government is committed to encouraging local organisations to host more signature events in Hong Kong in order to create job opportunities, attract more visitors, and maintain our competitive edge as a popular travel destination and events capital in Asia. The Financial Secretary, in his 2009 Budget, earmarked \$100 million to assist local non-profit-making bodies in hosting more attractive arts, cultural and sports events in Hong Kong. The Mega Events Fund (MEF) was established in May 2009 for a tenure of three years following funding approval of the Finance Committee.

Since its inception, four rounds of applications were completed and a total sum of \$53 million has been granted to support fourteen mega events. The MEF supported events are of considerable scale and have received wide exposure in both local and overseas media. Many of these events can fully demonstrate our local cultural characteristics (such as “Mui Wo Water Lantern and Sky Lantern Festival 2010”, “Record Breaking Dragon and Lion Dance Extravaganza 2011” and “Hong Kong Well-wishing Festival”).

The data submitted by the applicants reveals that the MEF supported events are expected to attract over 600 000 participants, including 135 000 visitors, and create around 6 900 jobs. The events have added colour and vibrancy to Hong Kong's city life and boosted Hong Kong's status as an events capital of Asia. They can attract more visitors to Hong Kong specifically for the events or increase their length of stay. With MEF funding, the organisers can enlarge the scale of the events, enhance their publicity work outside Hong Kong and raise the events' international profile. The Hong Kong Tourism Board (HKTB) can also leverage on the opportunities to include these events into its promotional plan and adopt different advertising channels (such as newsletters/internet portals coverage, trade notices and advertising boards at different tourist spots) to maximize the publicity effect. Through co-operation with trade partners in nearby tourist destinations, the HKTB has also developed special tour packages to attract visitors to Hong Kong for these events.

We have been sparing no efforts in improving the modus operandi of the MEF. In response to the suggestions made by the Legislative Council Panel on Economic Development, we have provided funding support to more events with elements of local cultural characteristics, and the event venues are also not confined to the traditional tourism districts. In addition, we have strengthened the assessment process to enable the applicants better understand their role and responsibilities. A standard monitoring report form has been devised to facilitate proper recording of the observations of monitoring personnel and members of the Assessment Committee following their site visits to the events. Furthermore, more consideration will now be given to the applicants' background, governance structure and track record in the assessment process.

Signature	_____
Name in block letters	_____ Andrew HY WONG _____
Post Title	_____ Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) _____
Date	_____ 16.3.2011 _____

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)024

Question Serial No.

0064

Head : 152 – Government Secretariat : Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide details regarding the continued support to further develop wine-related business in Hong Kong, including the related type of business (e.g. spirits trading), specific measures, manpower deployment and the expenditure required. etc.

Asked by : Hon. CHEUNG Yu-yan, Tommy

Reply :

To help the industry tap the business opportunities arising from the growing demand for wine across Asia (especially the Mainland), we will roll forward and keep up the momentum of our supportive measures. More specifically, we are focusing our efforts on attracting more wine traders to participate in our promotional events and set up companies here, encouraging more exchange programmes with major wine-producing countries for wine and food pairing, consolidating the certification scheme for wine storage facilities, facilitating the clearance of wine imported into the Mainland through Hong Kong, fostering manpower training and education, combating counterfeits, enhancing/encouraging key home-grown and international wine promotional events in Hong Kong, and assisting wine-producing countries/regions in establishing regional promotional offices here.

The above measures help create favorable conditions for the industry to capitalize on the expertise, experience and network available in Hong Kong for the further development of wine-related businesses. We will maintain our dialogue with the industry and take into account the views of relevant stakeholders when mapping out other practical supportive measures.

Based on a survey carried out by the Government in mid-2010, not only has the wine promotion policy brought direct benefits to wine trading, auction sales and retailing, it has also helped boost the economic activities in other related areas. They include storage, transportation, catering, tourism, brand promotion and exhibition, wine appreciation and education, etc. The synergy thus achieved helps enhance the diversification of our economy.

In 2011-12, we will continue to use existing manpower resources to roll forward the above measures. Other than that, the main expenses would go to two key wine-related promotion events this year. They are the third Hong Kong Wine and Dine Festival which the Hong Kong Tourism Board will organize in late October and the fourth Hong Kong International Wine and Spirits Fair to be staged by the Hong Kong Trade Development Council in early November. The costs will be recovered through charging of fees, commercial sponsorship and/or government subvention.

Signature

Name in block letters

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Post Title

Date

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)025

Question Serial No.

0065

Head : 152 – Government Secretariat : Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Has the Administration planned and explored the long-term manpower demand of wine industry and measures to enhance the competitive edge of those serving in the industry to strengthen Hong Kong's position as a wine distribution hub? What were the number and increase in number of people engaging in wine-related work for each of the years between 2008-09 and 2010-11? What wine-related courses were offered in Hong Kong and how many places were available between 2008-09 and 2010-11?

Asked by : Hon. CHEUNG Yu-yan, Tommy

Reply :

Many public and private training institutions have all along been organizing manpower training programmes and wine appreciation courses to meet market needs. To facilitate the further development of wine-related businesses in Hong Kong, the Government will continue to foster close liaison between the industry and the training institutions in assessing the long-term manpower needs and mapping out the best way for meeting such needs. The Government has also encouraged partnership between local and overseas training institutions through the co-operation agreements signed with our trading partners.

Responding to the recent surge in market demand, the institutions, public and private alike, are enriching/expanding wine appreciation courses and developing enhanced manpower training programmes. For instance, the Vocational Training Council (VTC) has been expediting the launching of new wine-related courses and modules since 2009 and strengthening its partnership with overseas institutions. This enhances the training programmes that VTC offers to personnel ranging from sommeliers to frontline catering staff and so on. Last year, VTC signed a co-operation agreement with a French catering institution to foster exchanges and training on pairing between wine and Chinese/French cuisines.

According to a survey carried out by the Government in mid-2010, in 2008 and 2009, the number of persons engaged in wine-related business (including wine trading, retailing, warehousing, catering and transportation, etc.) has increased by more than 5 000, bringing the total to nearly 40 000 by end 2009. The number of job increase is equivalent to about 1 000 full-time jobs. About 60% of the new openings are non-professional/frontline jobs and the rest for managers and professionals.

As regards courses, the above survey also indicates that the number of wine-related manpower and professional courses (including sommelier and bar tending training as well as wine business/management courses, etc.) grew from 21 in 2007 to 86 in 2009. The number of participants reached over 8 500 in 2009, representing an increase of more than two times as compared with about 2 400 participants in 2007.

We will continue to encourage the industry to maintain their dialogue with the training institutions, in the interest of ensuring that their manpower needs are met.

Signature _____

Name in block letters _____ Andrew HY WONG

Post Title _____ Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____ 16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)026

Question Serial No.

0066

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding co-ordination with the Hong Kong Tourism Board and relevant parties to further showcase Hong Kong as a premier destination for fine food and wine, will the Administration please give details on the activity content, estimated expenditure, manpower and benefits expected to be brought about, etc.?

Asked by : Hon. CHEUNG Yu-yan, Tommy

Reply :

In 2009, the Hong Kong Tourism Board (HKTB), leveraging on the elimination of wine duty by the Government and the publication of the first Michelin Guide on Hong Kong, adopted the Hong Kong Food and Wine Year as the annual marketing theme and staged the first Hong Kong Wine and Dine Festival in October that year. The three-day inaugural event attracted over 70 000 participants and was rated one of the “world’s top 10 food and wine events of the year” by ForbesTraveler.com.

In 2010, the Hong Kong Wine and Dine Festival was held on a bigger scale at the end of October. The event was extended from three to four days, with over 200 food and wine booths and recorded an attendance of more than 110 000. HKTB also designated November last year as the “Hong Kong Wine and Dine Month” to promote, with the joint efforts of the major dining districts, a diverse range of food and wine offers and programmes to visitors.

In 2011-12, HKTB will continue to strengthen the promotion of Hong Kong’s wine and dine excellence and further enhance the brand image of Hong Kong as the premier destination for visitors to enjoy fine wine and cuisine. The major activities will include:

- To repeat the four-day Hong Kong Wine and Dine Festival at the West Kowloon Waterfront Promenade in end October. HKTB will invite more world famous wine producing regions, wine merchants and the catering sector to take part in the event.

- To organise the Best of the Best Culinary Awards in October, targeting local Chinese dining establishments. The winning restaurants will be invited to showcase their winning dishes to both local residents and visitors at the Wine and Dine Festival.
- To continue to organise the “Hong Kong Wine and Dine Month” in November. HKTB will roll out thematic events each week, such as large-scale outdoor barbecue parties, seafood festivals, food carnivals in local dining districts including Lan Kwai Fong, SoHo, Knutsford Terrace and Stanley. HKTB will also join hands with the travel and catering trades to develop and promote thematic activities, such as wine cellar tours, wine walks, wine buffets, cooking classes, etc.
- To bundle wine and dine offers by catering outlets and work with the hotel sector to roll out accommodation and dining privileges for visitors, encouraging them to come and enjoy the wine and dine experiences here.

The estimated expenditure for the Hong Kong Wine and Dine Festival and the “Hong Kong Wine and Dine Month” is \$21 million. HKTB will seek sponsorships to fund part of the expenses. HKTB will deploy its existing manpower for planning, organising and publicising the overall thematic promotion, while the production of individual programmes will be outsourced to contractors.

On overseas promotion, HKTB will co-operate with major TV networks in the Mainland and other places (such as Taiwan, Singapore and India), as well as gourmet or leisure magazines (including their e-versions) to produce programmes and articles on dining and wining in Hong Kong. Furthermore, HKTB will organise different types of consumer promotions (such as cooking demonstration by famous Hong Kong chefs or wine tasting events) in our source markets. HKTB will also work with the Mainland and overseas trade partners to develop and promote thematic itineraries, and publicise Hong Kong through participation in major overseas food and wine events (such as the Food and Wine Classic in Aspen, USA).

At the same time, HKTB will make use of popular social networks, such as Facebook and Weibo for its promotions. It will also upload video clips of dining and wining in Hong Kong to YouTube, and promote these experiences, together with the Hong Kong Wine and Dine Festival as well as various programmes and offers by dining districts through online forums and mobile applications tailored for the promotions.

The above promotions will highlight Hong Kong’s competitive edge as a wine and gourmet centre. They will not only generate greater business opportunities for the trade, but also reinforce Hong Kong’s reputation as a wine and dine centre in the long-term, hence attracting more visitors, stimulating spending in tourism and related industries, and benefitting Hong Kong’s overall economy.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)027

Question Serial No.

1947

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

On diversifying green tourism products in Hong Kong, would the Administration please advise this Committee of the details of promotion plans and publicity strategies for Hong Kong National Geopark, the expected economic benefits, the projected number of visitors that will be drawn to Hong Kong and the provision earmarked for park conservation in daily operations in 2011-12?

Asked by : Hon. EU Yuet-mee, Audrey

Reply :

The Hong Kong Tourism Board (HKTB) is adopting a strategy of utilising “Great Outdoors Hong Kong!” as a marketing platform to promote the Hong Kong National Geopark (the Geopark), the hiking trails and other green attractions of Hong Kong to nature lovers (such as senior citizens in Japan and hikers from certain source markets) and the overseas travel trade specialising in green tourism products.

In 2011-12, HKTB will implement the following initiatives:

Promotions targeting visitors

- To promote green tourism products (including those featuring the Geopark) which are operated by local travel agents to inbound visitors through various channels such as HKTB’s website, visitor centres and guide books.
- To organise complimentary guided tours in November under the “Great Outdoors Hong Kong!” programme by taking visitors to see the landforms at the Geopark.
- To encourage, via the “Great Outdoors Hong Kong!” thematic website and complimentary guidebook, free and independent visitors to explore the Geopark.

- To arrange different media organisations from target source markets to visit and feature the Geopark in their TV programmes or publish articles which showcase the Geopark.
- To work with overseas trade partners specialising in green tourism products to develop itineraries featuring the Geopark and promote them to nature lovers.

Promotions targeting overseas trade

- To invite overseas trade partners specialising in green tourism to visit the Geopark and encourage them to include the Geopark itineraries in their products.
- To introduce the Geopark by display boards at travel fairs and road shows in target source markets; and to distribute recommended itineraries and information on the Geopark to the overseas trade for reference for developing new tourism products.

Promotion of the Geopark and other natural attractions will entice nature lovers to visit Hong Kong (including senior citizens in Japan and hikers from certain source markets). Their spending in Hong Kong will bring us economic benefits, which are nevertheless difficult to quantify.

HKTB does not make projection on the number of visitors to individual attractions. Nevertheless, since January 2011, HKTB has included the Geopark in its Departing Visitors Survey to facilitate future computation of the number of visitors to the Geopark.

In 2011-12, the Agriculture, Fisheries and Conservation Department has earmarked \$29.2 million under Head 22 Programme (2) Nature Conservation and Country Parks for the management and operation of the Geopark, including \$8 million for geo-conservation.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)029

Question Serial No.

0479

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Under the item "Matters Requiring Special Attention in 2011-12", it is mentioned that the Consumer Council will implement the recommendations arising from a review of the operation of the Consumer Legal Action Fund (CLAF). For this, would the Administration inform the Committee of:

- (a) the amount of expenditure;
- (b) the concrete action plan; and
- (c) the performance target for 2011-12.

Asked by : Hon. HO Chun-yan, Albert

Reply :

The Consumer Council is the trustee of the Consumer Legal Action Fund (CLAF). In December 2010, the Council completed a review of the operation of the CLAF. The review reveals that the operation of the CLAF is generally effective. Only certain internal procedures for handling applications should be improved. Besides, in line with the Civil Justice Reform spearheaded by the Judiciary, the Council recommends that the scope of assistance under the CLAF be extended to cover mediation proceedings. The recommendations have been implemented. Resources required for implementing the recommendations would be absorbed by the CLAF.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)030

Question Serial No.

0480

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Under Matters Requiring Special Attention in 2011-12, it is stated that the Consumer Council will speed up the process of complaint handling. In this connection, please advise on the following:

- (a) Does it incur additional provision and resources? If yes, what is the approximate expenditure in 2011-12 and its increase over 2010-11?
- (b) Is it a measure implemented in response to recent shopping incidents involving Mainland inbound tour groups in registered shops of the Travel Industry Council of Hong Kong?

Asked by : Hon. HO Chun-yan, Albert

Reply :

- (a) The Consumer Council will deploy existing resources to streamline the procedures in handling consumer complaints, so as to expedite the process.
- (b) As the Council maintains a set of standardized procedures in handling all consumer complaints, all consumers in Hong Kong will benefit from the streamlined procedures in handling consumer complaints, irrespective of whether they are tourists or not.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)031

Question Serial No.

1705

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

For the SME start-up programme implemented by the HKTDC, could the Administration inform the Committee of the following:

- (a) What is the estimated expenditure of the programme;
- (b) Which kind of SMEs or trade among the SMEs is the target of the programme; and
- (c) In "Matters Requiring Special Attention in 2011-12", it is mentioned that the HKTDC will "assist SMEs to relocate their manufacturing base beyond the Pearl River Delta". What are the details involved?

Asked by : Hon. HO Chun-yan, Albert

Reply :

To encourage more people who wish to set up small and medium enterprises (SMEs) in Hong Kong and nurture the development of a new breed of SMEs, the Hong Kong Trade Development Council (HKTDC) will continue to run a comprehensive SME start-up programme.

- (a) HKTDC has budgeted \$38 million for its SME start-up programme in 2011-12. Major activities include:
 - enhancing the content of "World SME Expo" and "Entrepreneur Day" by providing practical information to assist SMEs to explore business opportunities;
 - providing various business support services in the SME centre such as organisation of regular workshops and seminars on entrepreneurship, and free advisory services on doing business in the Mainland;

- providing a more cost-effective promotional package for SMEs, such as economy booths and “cubic showcases” at HKTDC’s fairs as well as the online promotion at www.hktdc.com;
 - enhancing HKTDC’s customer database infrastructure and enriching information about companies in Asia as well as emerging and mature markets; and
 - organising regular outreach programmes to understand SME’s needs and requests.
- (b) The SME start-up programme aims to provide a wide range of services to support the different needs of entrepreneurs in the preparation, implementation and development of their business. The programme is applicable to SMEs in different industries.
- (c) HKTDC will provide relevant information to help Hong Kong companies, who are interested in relocating their production bases from the Pearl River Delta to other regions, to formulate their production strategies. Major activities include:
- working closely with industry associations to organise trade missions to Guangxi, Hunan and Jiangxi, as well as Southeast Asian countries, so as to help them understand the potential for establishment of production bases in these places;
 - organising seminars to help Hong Kong companies familiarise with alternative production bases; and
 - publishing research reports which focus on the investment environment and the feasibility of establishment of production bases in the Mainland and overseas markets.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)032

Question Serial No.

1708

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is mentioned under Matters Requiring Special Attention in 2011-12 that the Government will “continue to promote co-operation between major convention and exhibition facilities to achieve better utilisation and closely monitor Hong Kong’s long-term demand for additional facilities”. Would the Government advise on the following:

- (a) the estimated expenditure of the relevant work;
- (b) the details of the work; and
- (c) the number of officials involved and the hours of work per head.

Asked by: Hon. HO Chun-yan, Albert

Reply:

The Hong Kong Convention and Exhibition Centre (HKCEC) and the AsiaWorld-Expo (AWE) are the two major convention and exhibition facilities in Hong Kong. The Government has been facilitating their co-operation so as to better utilise the existing convention and exhibition facilities. In 2010, Hong Kong Trade Development Council (HKTDC) organised a number of trade exhibitions at AWE including Hong Kong International Printing and Packaging Fair, Hong Kong International Building and Decoration Materials & Hardware Fair, International Trade Fair on Environmental Protection, and International Sourcing Fair for Sports Equipment and Sports Apparel. The Government will continue to enhance communication between HKTDC and AWE, including encouraging HKTDC to hold more new exhibitions at AWE. In addition to a new exhibition to be launched by HKTDC at AWE this year, HKTDC is actively considering using AWE to organise more new exhibitions in 2012. The Government will continue to liaise with the industry and closely monitor Hong Kong’s long-term demand for additional facilities.

The above work is part of the matters covered under programme (2). We do not have separate estimates for the number of staff involved, their hours of work and the expenditures required.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)033

Question Serial No.

2008

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : —

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding consultancy studies (if any) commissioned by the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) and its departments for the purpose of formulating and assessing policies, please provide information in the following format.

- 1) Using the table below, please provide information on studies on public policy and strategic public policy for which funds had been allocated between 2008-09 and 2010-11:

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If yes, through what channels? If no, why?

- 2) Are there any projects for which funds have been reserved for conducting consultancy studies in 2011-12? If yes, please provide the following information:

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	For the projects that are expected to be completed in 2011-12, is there any plan to make them public? If yes, through what channels? If no, why?

- 3) What are the criteria for considering the award of consultancy projects to the research institutions concerned?

Asked by : Hon. HO Sau-lan, Cyd

Reply :

- 1) The studies on public policy and strategic public policy conducted during the period from 2008-09 to 2010-11 are listed below:

2008-09:

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If yes, through what channels? If no, why?
Arthur D. Little Asia Pacific Ltd.	Tender	Consultancy study on the demand and supply of exhibition facilities in Hong Kong	990,360	March 2008	Completed	The Government will make reference to the results of the consultancy study when assessing and planning for the supply of exhibition facilities in Hong Kong.	The result of the consultancy study is for Government's internal reference at this stage.
Arculli, Fong & Ng, Gilbert + Tobin	Tender	Consultancy study on preparation of a cross-sector competition law To provide expert services in relation to the introduction of a competition law (continuing the consultancy study in 2007-08)	4,541,000	June 2007	In progress	The Government is preparing the Competition Bill based on the advice of the consultant.	Not applicable

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If yes, through what channels? If no, why?
PricewaterhouseCoopers Limited	Tender	Consultancy study on investment promotion in Hong Kong As a follow up study on previous cost-effectiveness study on Invest Hong Kong (InvestHK), it is to review the strategy for promotion of inward investment (continuing the consultancy study in 2007-08)	1,760,000	October 2007	In progress	The Government is following up with the consultant on the findings of the study.	Not applicable
Business Strategies Group	Tender	To survey the demand and supply of manpower and the training opportunities for the MICE and cruise tourism sectors in Hong Kong	1,105,000	September 2008	Completed in March 2009	Reported the findings to the Steering Committee on MICE and the Advisory Committee on Cruise Industry.	The report has been distributed among the training institutions and related organisations in Hong Kong.
Evans & Peck (HK) Co Ltd	Tender	To assess the commercial and financial viability of the conceptual design of the Aberdeen Tourism Project (continuing the consultancy study in 2007-08)	519,200	January 2008	Completed in March 2009	Reported to the Panel on Economic Development of the Legislative Council and the Southern District Council on the latest progress of the project and the results of the consultancy study in April 2009. Now launching the improvement works at Aberdeen promenade.	Executive summary of the consultancy report has been uploaded onto Tourism Commission's homepage.

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If yes, through what channels? If no, why?
UBS AG	Tender	To provide initial advice on the long-term financial arrangement for the Hong Kong Disneyland project (continuing the consultancy study in 2007-08)	1,250,000	August 2007	Completed	The Government has considered the advice from the consultant.	The advice from the consultant is for Government's internal consideration.
Hans Kok Business Consult BV	Tender	Consultancy study on the review of the Post Office Trading Fund	4,120,835 (Not paid)	July 2008	Terminated	Consultancy agreement terminated in May 2009 for breach of contract by the consultant. The consultant disputed and initiated an arbitration proceeding.	Not applicable

2009-10:

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If yes, through what channels? If no, why?
Arthur D. Little Asia Pacific Ltd.	Tender	Consultancy study on the demand and supply of exhibition facilities in Hong Kong (updating the 2008 study to take into account the impact of financial crisis.)	267,300	March 2009	Completed	The Government will make reference to the results of the consultancy study when assessing and planning for the supply of exhibition facilities in Hong Kong.	The result of the consultancy study is for Government's internal reference at this stage.

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If yes, through what channels? If no, why?
<p>Arculli, Fong & Ng, Gilbert + Tobin</p> <p>(Arculli, Fong & Ng has been renamed as King & Wood since 15 July 2009)</p>	Tender	<p>Consultancy study on preparation of a cross-sector competition law</p> <p>To provide expert services in relation to the introduction of a competition law (continuing the consultancy study in 2008-09)</p>	3,309,000	June 2007	In progress	The Government is preparing the Competition Bill with reference to the advice of the consultant.	Not applicable
PricewaterhouseCoopers Limited	Tender	<p>Consultancy study on investment promotion in Hong Kong</p> <p>As a follow up study on previous cost-effectiveness study on InvestHK, to review the strategy for promotion of inward investment (continuing the consultancy study in 2008-09)</p>	1,120,000	October 2007	Completed in April 2009	<p>InvestHK has worked out a workplan to implement some of the key recommendations made in the consultancy study report, with a view to strengthening its work on inward investment promotion.</p> <p>The Panel on Commerce and Industry of the Legislative Council was briefed in January 2010 on the key findings and recommendations made by the consultant.</p>	Details and recommendations of the consultancy study report was reported to the Commerce and Industry Panel of the Legislative Council on 19 January 2010.

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If yes, through what channels? If no, why?
Evans & Peck (HK) Co Ltd	Tender	To assess the commercial and financial viability of the conceptual design of the Aberdeen Tourism Project (the consultancy study was completed in 2008-09 and the outstanding fee was settled in 2009-10)	735,000	January 2008	Completed in March 2009	Reported to the Panel on Economic Development of the Legislative Council and the Southern District Council on the latest progress of the project and the results of the consultancy study in April 2009. Now launching the improvement works at Aberdeen promenade.	Executive summary of the consultancy report has been uploaded onto Tourism Commission's homepage.

2010-11:

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If yes, through what channels? If no, why?
King & Wood, Gilbert + Tobin	Tender	Consultancy study on preparation of a cross-sector competition law To provide expert services in relation to the introduction of a competition law (continuing the consultancy study in 2009-10)	1,065,000	June 2007	In progress	The Government has completed drafting the Competition Bill based on the advice of the consultant. The Bill is now under the scrutiny of the Bills Committee.	Not applicable

2) Provision has been allocated for conducting the following consultancy study in 2011-12:

Name of consultant	Mode of award (open auction / tender / others (please specify))	Title, content and objectives of project	Consultancy fee (\$)	Start date	Progress of study (under planning / in progress / completed)	For the projects that are expected to be completed in 2011-12, is there any plan to make them public? If yes, through what channels? If no, why?
King & Wood, Gilbert + Tobin	Tender	Consultancy study on preparation of a cross-sector competition Law To provide expert services in relation to the introduction of a competition law (continuing the consultancy study in 2010-11)	234,000	June 2007	In progress	Not applicable

3) Service quality is a major consideration during the selection exercise. Apart from the tender price, the other criteria in considering the award of the consultancy contracts include the qualification, relevant experience, reputation and expertise of the consultants as well as the proposed methodology and cost-effectiveness of the proposal.

Signature _____

Name in block letters Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title (Commerce, Industry and Tourism)

Date 16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)034

Question Serial No.

2013

Head : Head 152 - Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In regard to the implementation of the Framework Agreement on Hong Kong/Guangdong Co-operation (the Framework Agreement) and growing co-operation between Hong Kong and the Mainland in recent years, please provide relevant information on Hong Kong/Mainland cross-boundary projects or programmes in which the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) and departments under its purview are or have been involved.

1) For Hong Kong/Mainland cross-boundary projects or programmes from 2008-09 to 2010-11, please provide information in the following format:

Project/ Programme title	Details, objective and whether it is related to the Framework Agreement	Expenditure involved	Name of Mainland department/ organisation involved	Progress (% completed, start date, anticipated completion date)	Have the details, objective, amount involved or impact on the public, society, culture and ecology been released to the public? If yes, through which channels and what were the manpower and expenditure involved? If no, what are the reasons?
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2) For Hong Kong/Mainland cross-boundary projects or programmes in 2011-12, please provide information in the following format:

Project/ Programme title	Details, objective and whether it is related to the Framework Agreement	Expenditure involved	Name of Mainland department/ organisation involved	Progress (% completed, start date, anticipated completion date)	Will the details, objective, amount involved or impact on the public, society, culture and ecology been released to the public? If yes, through which channels and what were the manpower and expenditure involved? If no, what are the reasons?
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3) Apart from the projects or programmes listed above, are there any other modes of cross-boundary co-operation? If yes, what are they? What were the manpower and expenditure involved in the past 3 years, and how much financial and manpower resources are earmarked in the 2011-12 Estimates?

Asked by : Hon. HO Sau-lan, Cyd

Reply :

To foster our trading ties with the Mainland is an important policy aim of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch). Cross-boundary co-operation / exchange with the Mainland is part of our regular work. Due to the wide scope of work, it is difficult to provide a simple breakdown by year and category.

Under Programme (2) “Commerce and Industry”, major Hong Kong and Mainland cross-boundary co-operation / exchange undertaken by our Bureau, departments and relevant organisations, which supports the implementation of the “Hong Kong-Guangdong Co-operation Framework Agreement”^{Note}, includes the following areas –

Scope of Work	Progress	Relevant Documents issued to the LegCo by the Administration
Closer Economic Partnership Arrangement (CEPA)	<p>Following the signing of the main text of CEPA in 2003, the two sides have reached agreement on seven Supplements. All goods of Hong Kong origin importing into the Mainland enjoy tariff free treatment, upon applications by local manufacturers and upon the relevant CEPA rules of origin being met. Moreover, Hong Kong service suppliers can enjoy preferential access in 44 service areas in the Mainland market.</p> <p>The Government attaches great importance to the effective implementation of CEPA. We have been liaising closely with the Mainland authorities at central, provincial and municipal levels to work towards the effective implementation of CEPA.</p>	The LegCo paper no. CB(1)2065/09-10(01) “The Mainland and Hong Kong Closer Economic Partnership Arrangement” issued in June 2010.
To assist Hong Kong enterprises in the Mainland in upgrading and restructuring	<p>The work under this area includes the following –</p> <ul style="list-style-type: none"> maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand their concerns and views; and maintaining close liaison with the Mainland authorities at various levels (including through the Hong 	The LegCo paper no. CB(1)1531/10-11(05) “Trade relations between the Mainland and Hong Kong and Hong Kong/Guangdong Co-operation Joint Conference in relation to commerce and

^{Note} Please refer to the LegCo paper no. CB(1)1559/09-10 (01) document “Hong Kong-Guangdong Co-operation Framework Agreement”.

Scope of Work	Progress	Relevant Documents issued to the LegCo by the Administration
	<p>Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to convey to and discuss with them the trade’s views and proposed measures;</p> <ul style="list-style-type: none"> • disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities like symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade’s understanding of Mainland’s new policies, legislation and the business environment. TID’s website includes a dedicated page on business information on Mainland China, with hyperlinks to the economic and trade websites of about 190 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to trade-related information on the Mainland; • organising promotional activities and trade fairs through the Hong Kong Trade Development Council (HKTDC), and organising delegations to visit the Mainland with a view to enhancing the trade’s understanding of Mainland policies and market development; • providing Hong Kong enterprises with support services on technological upgrading, management improvement, branding and market development, etc., and also Mainland market information through the HKTDC and the Hong Kong Productivity Council; and • with regard to financial support, assisting small and medium enterprises (SMEs) through the “SME Funding Schemes” in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, restructuring and business relocation. 	<p>industry between the two places” issued in March 2011.</p>

Scope of Work	Progress	Relevant Documents issued to the LegCo by the Administration
Investment Promotion	<p>The Mainland market is a priority of Invest Hong Kong (IHK). Investment promotion staff of IHK will reach out to Mainland companies and encourage them to set up or expand their business in Hong Kong through organising seminars, promotional programmes, conducting investment promotion visits and receiving incoming delegations from the Mainland.</p> <p>As at end of 2010, IHK has completed a total of around 330 projects from the Mainland. It has collaborated with the Mainland provinces and cities in staging joint promotion seminars in overseas markets since 2002 to promote the combined advantages of Hong Kong and the Mainland, particularly the Greater Pearl River Delta region.</p>	<p>The LegCo paper no. CB(1)865/09-10(30) “Promotion of inward investment” issued in January 2010. (Note: including IHK’s work relating to the Mainland)</p>
Tourism	<p>Hong Kong and the Mainland have all along maintained close contact on tourism development at government and trade levels. The Tourism Commission has established regular exchange mechanisms with Mainland tourism authorities, such as the China National Tourism Administration and the Guangdong Provincial Tourism Administration, to discuss issues of mutual concern.</p> <p>The Hong Kong Tourism Board (HKTB) will continue to co-operate with Mainland cities (especially those in the Pan-Pearl River Delta region) and Macao to promote multi-destination itineraries. Furthermore, the HKTB has been working with travel agents from 27 cities in the Mainland to promote Quality and Honest Hong Kong Tour products.</p>	<p>The LegCo paper no. CB(1)2301/09-10(05) “Framework Agreement on Hong Kong/Guangdong Co-operation – Tourism Co-operation” issued in June 2010.</p> <p>The LegCo paper no. CB(1)1090/10-11(09) “Hong Kong Tourism Board Work Plan for 2011-2012” issued in January 2011. (Note: Including HKTB’s promotional efforts in the Mainland)</p>

The work to promote the co-operation between the two places is on-going work, and the manpower and expenditure in relation to the relevant work have been subsumed into the provisions of the Bureau and relevant departments. It is difficult to quantify them separately.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)035

Question Serial No.

0080

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question:

What are the specific measures or plans regarding the policy objective behind “strengthening efforts to promote Hong Kong’s stable and business-friendly environment in the Mainland, Taiwan and emerging markets in Russia, India, the Middle East and South America” ?

Asked by : Hon. IP LAU Suk-yee, Regina

Reply:

In 2011-12, Invest Hong Kong (InvestHK) will conduct investment promotion (IP) activities and provide various services to attract more companies from the Mainland and Taiwan to set up or expand their operation in Hong Kong. These IP initiatives include meeting with potential investors, organising seminars and sector-focused workshops, providing better aftercare services to companies already set up in Hong Kong, carrying out advertising and public relations campaign, as well as arranging and receiving incoming investment study missions.

To widen the spectrum of prospective investors, InvestHK will strengthen its collaboration with the Mainland authorities and business associations in order to reach out to more privately-owned enterprises in high-growth cities such as Suzhou, Ningbo, Tianjin, Guangzhou, Wuhan, Dalian and the Greater Pearl River Delta region. Similar approach will be taken in respect of Taiwan business associations and corporations.

As regards the emerging markets, InvestHK will continue its promotional efforts in target cities of emerging markets in 2011-12, placing particular focus on attracting companies with sizable international operations from key emerging markets like Russia, India, the Middle East and South America through a series of IP visits and seminars on the business environment of Hong Kong. InvestHK will also conduct a joint promotion seminar with Zhuhai in South America in the first half of 2011 to promote the combined advantages offered by the economic integration of Hong Kong and the Mainland.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)036

Question Serial No.

0081

Head : Head 152 - Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding "continuing to assist the trade to adjust to changes in Mainland's policy on processing trade through industrial restructuring and upgrading, relocating their operations and opening up new markets", please advise what local industries have succeeded in restructuring and upgrading.

Asked by : Hon. IP LAU Suk-ye, Regina

Reply :

Through the following work, the Commerce and Economic Development Bureau encourages and assists Hong Kong enterprises in upgrading and restructuring, relocating their operations, and opening up new markets so as to adjust to changes in the Mainland's policy on processing trade:

- maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand their concerns and views; and maintaining close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to convey to and discuss with them the trade's views and proposed measures;
- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities like symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade's understanding of Mainland's new policies, legislation and the business environment. TID's website includes a dedicated page on business information on Mainland China, with hyperlinks to the economic and trade websites of about 190 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to trade-related information on the Mainland;

- organising promotional activities and trade fairs through the Hong Kong Trade Development Council (TDC), and organising delegations to visit the Mainland with a view to enhancing the trade's understanding of Mainland policies and market development;
- providing Hong Kong enterprises with support services on technological upgrading, management improvement, branding and market development, etc., and also Mainland market information through the TDC and the Hong Kong Productivity Council; and
- with regard to financial support, assisting small and medium enterprises (SMEs) through the "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, restructuring and business relocation.

According to the figures of the Guangdong Provincial Government as at August 2010, there are about 15 000 enterprises engaging in processing trade (which are not legal persons), of which 1 924 have successfully restructured into one of the three types of foreign-funded enterprises without stopping production (about 90% of them are Hong Kong enterprises). The successful restructuring of these enterprises has provided favourable conditions for them to tap the Mainland domestic market.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)037

Question Serial No.

0082

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding “continuing to promote co-operation between major convention and exhibition facilities to achieve better utilisation and closely monitor Hong Kong’s long-term demand for additional facilities”, please advise us what actions the Administration has taken in the past year to promote the use of exhibition facilities at the AsiaWorld-Expo.

Asked by : Hon. IPLAU Suk-ye, Regina

Reply :

The Government has been actively promoting the use of the AsiaWorld-Expo (AWE) on all fronts. Major measures include the following:

- (a) The Commerce and Economic Development Bureau and the Meetings and Exhibitions Hong Kong Office established under the Hong Kong Tourism Board have been proactively assisting AWE in attracting and lobbying for more overseas and local organisations to stage events there, through activities including regular overseas promotional events. In the past, we have successfully secured many large-scale convention and exhibition events to take place at AWE. These include CARTES in Asia (about 2 500 participants) held in March last year and this year, Asian Aerospace International Expo and Congress (about 12 000 participants) which was staged in Hong Kong for the third time in March this year, as well as Vitafoods Asia (about 2 000 participants) which will take place in Hong Kong for the first time in September this year. The Government will provide support to event organisers as and when necessary, such as immigration facilitation;
- (b) The exhibition entitled “River of Wisdom – Animated Version of Riverside Scene at Qingming Festival” jointly presented by the HKSAR Government and the Shanghai Municipal People’s Government was also staged at AWE at the end of last year. To ensure adequate and smooth operation of public transport services during the exhibition period, the Government, together with the management company of AWE and public transport operators, have introduced special transport arrangements. Since then, bus services between AWE and Tung Chung/urban area have been strengthened on most of AWE’s event days. The MTR Corporation Limited also offers concessionary fares to passengers travelling to AWE by the Airport Express Line; and

- (c) The Government has been enhancing the communication between the Hong Kong Trade Development Council (HKTDC) and AWE, including encouraging HKTDC to hold more new exhibitions at AWE. In addition to a new exhibition to be launched by HKTDC at AWE this year, HKTDC is actively considering using AWE to organise more new exhibitions in 2012.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)038

Question Serial No.

0083

Head : Head 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In 2011-12, the financial provision relating to Posts, Competition Policy and Consumer Protection is \$59.7 million, which represents a significant increase of 197% over that of 2010-11. Please explain in detail how the increased provision will be used. For example, if the increase of nearly \$40 million is to be used entirely in work relating to the Competition Bill, please specify whether it will be used in promotion, consultancy fee or others.

Asked by : Hon. IP LAU Suk-yee, Regina

Reply :

Provision for Programme 4 in 2011-12 is \$39.6 million higher than the revised estimate for 2010-11. This is mainly due to the provision for the establishment and initial operation of the Competition Commission (the Commission) should the Competition Bill (the Bill) be enacted within 2011-12. The increased provision is earmarked for the recruitment and salary of the Commission's staff, office administration and research and promotional work of the Commission. The actual expenditure will depend on the legislative progress of the Bill.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)039

Question Serial No.

1264

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question:

Please provide, in table form, the details, the expenses involved and the relative effectiveness as assessed by the Government in relation to the “international image/brand-name promotion activities” undertaken by the Hong Kong Trade Development Council (HKTDC) in 2010-11 and the HKTDC’s relevant work plan for 2011-12 in this aspect.

Asked by : Hon. IP LAU Suk-yee, Regina

Reply :

In 2010-11, the Hong Kong Trade Development Council (HKTDC) organised 821 trade and services promotion events. HKTDC seized every opportunity to directly or indirectly promote Hong Kong’s international image and brands in these events. Some activities which are more directly related to the promotion of Hong Kong’s international image and brands are set out below:

(a) **Promotion of Hong Kong brands in overseas markets**

In 2010-11, the expenditure incurred by HKTDC in this area was about \$ 207 million. Major activities included:

1	Setting up of Hong Kong Pavilion at CEBIT, Hanover, Germany
2	Setting up of Hong Kong Pavilion at IFA, Berlin, Germany
3	Organisation of Lifestyle Expo in Warsaw, Poland
4	Organisation of Lifestyle Expo in Mumbai, India
5	Organisation of Hong Kong companies to participate in BaselWord, The World Watch and Jewellery Show in Basel, Switzerland
6	Organisation of Hong Kong companies to participate in International Consumer Electronics Show in Las Vegas, United States of America
7	Organisation of Hong Kong companies to participate in MIDO – International Optics, Optometry and Ophthalmology Exhibition in Milan, Italy

8	Organisation of Hong Kong companies to participate in Ambiente (International Gifts and Houseware Fair) in Frankfurt, Germany
9	Organisation of Hong Kong companies to participate in Spielwarenmesse International Toy Fair in Nuremberg, Germany
10	Organisation of Hong Kong companies to participate in Paperworld and Christmasworld Fair in Frankfurt, Germany
11	Organisation of Hong Kong companies to participate in SILMO – International Optics and Eyewear Exhibition in Paris, France
12	Organisation of Hong Kong companies to participate in International Home and Houseware Show in Chicago, United States of America
13	Organisation of Hong Kong companies to participate in Magic fashion show in Las Vegas, United States of America
14	Organisation of Hong Kong companies to participate in Tokyo International Gift Show (Autumn Edition), Japan
15	Organisation of Hong Kong companies to participate in International Hardware Fair in Cologne, Germany
16	Organisation of Hong Kong companies to participate in National Hardware Show in Las Vegas, United States of America
17	Organisation of Hong Kong companies to participate in GITEX – Gulf Information Technology Exhibition in Dubai, UAE
18	Organisation of Hong Kong companies to participate in ISPO Winter – International Trade Fair for Sports Equipment & Fashion in Munich, Germany
19	Organisation of Hong Kong companies to participate in Tokyo International Gift Show (Spring Edition) in Japan
20	Organisation of Hong Kong companies to participate in Medica in Dusseldorf, Germany
21	Organisation of Hong Kong companies to participate in Texworld in Paris, France
22	Organisation of Hong Kong companies to participate in International Fashion Fair in Tokyo
23	Organisation of Hong Kong companies to participate in Arab Health in Dubai, Middle East
24	Organisation of Hong Kong companies to participate in CPM Collection Premiere in Moscow
25	Showcased Hong Kong products in major fairs including Spielwarenmesse International Toy Fair at Nuremberg, International Home and Houseware Show in Chicago and Tokyo International Gift Show in Tokyo
26	Organisation of roadshows in various cities (including mature and emerging markets)

(b) **Promotion of Hong Kong brands in the Mainland:**

In 2010-11, the expenditure incurred by HKTDC in this area was about \$ 168 million. Major activities included:

1	Operation of Hong Kong Design Gallery in Beijing
2	Operation of Hong Kong Design Gallery online shop
3	Provision of business matching services in Hong Kong Design Gallery
4	Organisation of promotional roadshows on Hong Kong brands in various Mainland cities
5	Promotion of Hong Kong brands in the media in Mainland
6	Organisation of Style Hong Kong Show in Shanghai
7	Organisation of Style Hong Kong Show in Shenyang

8	Organisation of Style Hong Kong Show in Fuzhou
9	Organisation of Style Hong Kong Show in Jinan
10	Organisation of Hong Kong Consumer Products Expo in Guangzhou
11	Organisation of a seminar on tapping the Mainland domestic market by SMEs with a branding strategy
12	Organisation of a conference on optimising branding strategies to venture into the Mainland consumer market
13	Organisation of a conference on protection of intellectual property rights on branding
14	Organisation of a conference on brand promotion and distribution channels
15	Setting up of Hong Kong Pavilion at China International Clothing and Accessories Fair
16	Organisation of Hong Kong companies to participate in the China Import and Export Fair

(c) **Setting up Brand Name Gallery at selected local fairs organised by HKTDC to promote Hong Kong brands**

In 2010-11, HKTDC set up Brand Name Gallery in the following exhibitions. As the expenditure incurred by Brand Name Gallery has been subsumed in the overall expenditure for local exhibitions, it cannot be separately itemised.

1	Hong Kong Electronics Fair (Spring Edition)
2	Hong Kong Houseware Fair
3	Hong Kong International Home Textiles Fair
4	Hong Kong Gifts & Premium Fair
5	Summer Sourcing Show for Gifts, Houseware & Toys
6	Hong Kong Fashion Week for Spring/Summer
7	Food Expo
8	Hong Kong Watch & Clock Fair
9	Hong Kong Electronics Fair (Autumn Edition)
10	Hong Kong International Lighting Fair (Autumn Edition)
11	Sports Source Asia
12	Hong Kong Optical Fair
13	Hong Kong Toys & Games Fair
14	Hong Kong Baby Products Fair
15	Hong Kong Fashion Week for Fall and Winter
16	World Boutique, Hong Kong
17	Hong Kong International Jewellery Show

(d) **Other promotional activities**

In addition, HKTDC staged world-class events to promote Hong Kong's advantages, e.g. the Asian Financial Forum and the Fashion Extravaganza. HKTDC also worked closely with worldwide media to raise Hong Kong's profile by issuing weekly publication to promulgate updated information about Hong Kong and HKTDC's trade information to overseas and Mainland business companies, and inviting Mainland and overseas journalists to Hong Kong to cover trade fairs and other mega events etc. Moreover,

HKTDC organised the Hong Kong Forum to provide information about doing business in Hong Kong to business representatives around the world. In 2010-11, the expenditure incurred by HKTDC in this area was about \$ 154 million. In 2011-12, HKTDC will organise signature promotion in London under the theme “Think Asia, Think Hong Kong”, so as to raise Hong Kong’s profile and highlight our strengths in creative industry, financial and other professional services.

The Government considers that HKTDC has been effective in promoting Hong Kong’s image and brands. In recent years, the number of companies participating in HKTDC’s trade and services promotion events has increased (estimate to reach more than 70 000 companies in 2011). In addition, the number of overseas buyers in local fairs has increased from about 280 000 in 2009 to about 340 000 in 2010 (estimate to reach near 350 000 buyers in 2011). The growth has illustrated the fact that more companies were making use of HKTDC’s services and trade promotion work to develop and expand their business.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)040

Question Serial No.

1265

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please inform this Committee how the Hong Kong Trade Development Council (HKTDC) will :

- (a) leverage on opportunities for Hong Kong companies in the Mainland consumer market;
- (b) help Hong Kong service companies target at Mainland's urbanisation process;
- (c) capitalise on Mainland enterprises' outward investment needs;
- (d) maximise opportunities for Hong Kong companies in robust emerging economies;
- (e) expand Hong Kong's services promotions in Taiwan to leverage on improved cross-strait relations;
- (f) help Hong Kong companies leverage on the opportunities in the silver market which refers to the underdeveloped market segment of senior people;
- (g) focus on the potential of green manufacturing and technology; and
- (h) assist small and medium enterprises (SMEs) to relocate their manufacturing base beyond the Pearl River Delta.

Asked by : Hon. IP LAU Suk-ye, Regina

Reply :

In the aforementioned items (a) to (h), the Hong Kong Trade Development Council (HKTDC) will pursue the following work:

- (a) Leverage on opportunities for Hong Kong companies in the Mainland consumer market

HKTDC will help Hong Kong companies expand their networks, establish sales channel and seize the business opportunities in the Mainland by nurturing brands and promote Hong Kong products. Major activities include:

- organising "Style Hong Kong" shows in a number of Mainland cities (including Beijing, Chengdu and Harbin), which aim to promote Hong Kong designs and branded products directly to Mainland consumers. The concurrent business matching sessions also enable Hong Kong companies to meet potential business partners and establish sales network;

- promoting and nurturing the branding of stylish Hong Kong products among Mainland consumers through HKTDC's Design Gallery in Beijing and its complementary online shop;
- organising exhibitions of specific products and short-term promotions in suitable departments stores in selected Mainland cities to promote Hong Kong brands; and
- developing the "Hong Kong Consumer Products Expo" in Guangzhou into an annual anchor event.

(b) Help Hong Kong service companies target at Mainland's urbanisation process

HKTDC will help Hong Kong service providers better understand the market, promote the strength of industries as well as establish networks. Major activities include:

- organising large-scale promotional event in first-tier Mainland cities. For example, an exposition entitled "SmartHK" will be held in Guangzhou in May 2011 to promote Hong Kong services industries;
- organising a series of seminars in the Mainland to introduce various services industries, such as financial, logistics, professional services and creative industries; and
- organising trade missions to second-tier mainland cities for specific industries.

(c) Capitalise on Mainland enterprises' outward investment needs

HKTDC will help Hong Kong service providers, including bankers, accountants and lawyers, etc. to connect with potential clients in the Mainland and overseas. Major activities include:

- enhancing the content of HKTDC trade publications, with emphasis on Hong Kong's capabilities in facilitating cross border investments as well as mergers and acquisitions;
- organising trade missions for targeted industries to overseas markets, so as to facilitate communication and promote co-operation among overseas sellers, Hong Kong service providers and Mainland investors; and
- organising seminars in the Mainland to promote the expertise of Hong Kong in areas like cross border mergers and acquisitions.

(d) Maximise opportunities for Hong Kong companies in robust emerging economies

As for promotion in emerging markets, HKTDC has identified Indonesia, Vietnam, India, Turkey, Russia, Poland, Latin America and the Middle East as priority markets. HKTDC helps Hong Kong companies gain better understanding of these markets, build networks as well as promote their products and brands there. Major activities include:

- organising visits or trade missions;
- setting up Hong Kong Pavilions or showcasing Hong Kong products at key trade fairs;

- providing comprehensive business intelligence about these emerging markets; and
- organising “Lifestyle Expo” in Poland and Indonesia to promote Hong Kong brands and products.

(e) Expand Hong Kong’s services promotions in Taiwan to leverage on improved cross-strait relations

HKTDC will focus on promoting Hong Kong as the technology market place between the Mainland and Taiwan as well as related services such as brand management, digital entertainment, licensing and design services, etc. Major activities include:

- encouraging more Taiwanese high-tech companies to participate in the “Inno Design Tech Expo” in Hong Kong, and build alliances with Hong Kong companies related to design, marketing and intellectual property; and
- organising tailor-made business matching activities for targeted industries, such as financial services, professional services, logistics, information technology and communication industries, in order to help Hong Kong companies develop the Taiwanese market and promote Hong Kong as the business platform for Taiwanese companies.

(f) Help Hong Kong companies leverage on the opportunities in the silver market

Senior people possess strong purchasing power. This will bring new business opportunities for manufacturers of elderly healthcare and household products. Major activities include:

- introducing silver market zones at targeted HKTDC’s trade fairs, such as “Elderly Eyeware Zone” at the “Hong Kong Optical Fair”;
- conducting studies on the silver market and publishing relevant research reports;
- organising trade missions and workshops to help industry players better understand the silver markets in Japan, Europe and the US; and
- setting up Hong Kong Pavilion at major overseas trade fairs (e.g., medical fair), to help Hong Kong companies develop business in the silver market.

(g) Focus on the potential of green manufacturing and technology

HKTDC will help Hong Kong companies tap the new market by promoting green manufacturing technologies and image of green products. Major activities include:

- promoting Hong Kong’s strength in green manufacturing by featuring award-winning items in major international trade fairs;
- launching the “Green Gifts Zone” at the “Hong Kong Gifts and Premium Fair”;
- continuing to co-organise the Eco Expo Asia with the Environment Bureau, so as to provide a platform for suppliers of green products and services to exchange market intelligence and develop new business in this growing market;

- organising visits and trade missions related to technology transfer to help Hong Kong companies explore new business opportunities and acquire new technology and information; and
- working with the Hong Kong Productivity Council and the Hong Kong Science and Technology Parks to organise promotional activities.

(h) Assist small and medium enterprises (SMEs) to relocate their manufacturing base beyond the Pearl River Delta

HKTDC will provide relevant information to help Hong Kong companies, who are interested in relocating their production bases from the Pearl River Delta to other regions, formulate their production strategies. Major activities include:

- working closely with industry associations to organise trade missions to Guangxi, Hunan and Jiangxi, as well as Southeast Asian countries, so as to help them understand the potential for establishment of production bases in these places;
- organising seminars to help Hong Kong companies familiarise with alternative production bases; and
- publishing research reports which focus on the investment environment and the feasibility of establishing production bases in the Mainland and overseas markets.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)041

Question Serial No.

1266

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide the timetable for implementing the policy of “commencing a review of the existing operation and regulatory framework of the tourism sector”.

Asked by : Hon. IP LAU Suk-ye, Regina

Reply :

We are reviewing the operation and regulatory framework of our tourism sector. We had an initial exchange of views with Members of the Legislative Council Panel on Economic Development at its meeting on 28 February 2011. We plan to launch a two to three-month consultation with the public and the trade in April 2011. Taking into account the views collected in the consultation, we will formulate concrete proposals on reforming the regulatory framework of the tourism sector. We expect to announce the proposals in the fourth quarter of 2011.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)042

Question Serial No.

1267

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What will the Administration do “to facilitate supply of talents for the MICE (Meetings, Incentive travels, Conventions and Exhibitions), cruise and related tourism sectors”?

Asked by : Hon. IP LAU Suk-ye, Regina

Reply :

The Government has been sparing no efforts in enhancing the appeal of Hong Kong as a premier travel destination in the region. We have been vigorously promoting MICE (Meetings, Incentive travels, Conventions and Exhibitions) and cruise tourism, two key areas in our tourism development strategy. In view of growing competition in the region, nurturing the best talent for the industry is one of our prime tasks.

In respect of MICE training, the Tourism Commission appointed a consultant to study the manpower requirements of the MICE sector in 2008. The consultant concluded that the supply of MICE manpower is sufficient to meet the needs of the industry in the next few years and training opportunities should continue to be provided for existing MICE personnel and interested newcomers. At present, the Hong Kong Polytechnic University (PolyU), the Chinese University of Hong Kong (CUHK), the Vocational Training Council (VTC) and the Employees Retraining Board (ERB) all provide courses on MICE. In the 2009-10 academic year, the PolyU launched Hong Kong's first degree programme on convention and event management. In August 2010, the PolyU organised for the first time an executive training course for senior MICE professionals.

The PolyU, CUHK, VTC and ERB also offer courses on tourism and hotel training. They have been working to upgrade their teaching facilities. The teaching hotel of CUHK was opened in 2009, providing practical training opportunities for students, as well as lectures on hotel management given personally by hotel executives. The teaching hotel of the PolyU is under construction and is expected to be completed by the second quarter of this year.

To facilitate the manpower development of the cruise tourism trade, the Tourism Commission (TC) and the Advisory Committee on Cruise Industry (ACCI) are implementing the following action plan -

- (i) Launching training courses related to cruise tourism through the Government's "Skills Upgrading Scheme (SUS)" and the Travel Industry Council of Hong Kong (TIC) since the middle of 2009, including "Introductory Course on Cruise Travel", "Practical Skills in Servicing Cruise Travellers" and "Cruise Selling Training Course", etc. We will closely monitor the needs of the trade and adjust the supply of training places as appropriate;
- (ii) Collaborating with the Curriculum Development Institute of the Education Bureau in conducting seminars on the development of cruise tourism in Hong Kong for secondary school teachers teaching "Tourism and Hospitality Studies (THS)", so that they can better understand cruise tourism development in Hong Kong. Last year, ACCI also started organising ship tours and experience sharing sessions with trade members for secondary school students taking THS in order to attract more young people to join the tourism industry; and
- (iii) Updating regularly the information on cruise-related courses provided by tertiary and training institutions on the websites of TC and TIC, making it easier for the trade and members of the public in selecting suitable courses.

In addition, we will continue to co-ordinate with TIC and SUS in providing training courses on other subjects, including tour guiding, cultural monument appreciation, nature guide and geological feature appreciation, etc. This will encourage trade members to seek continuing education and self-enhancement.

TC will continue to proactively promote exchanges and co-operation amongst training institutions, the travel trade, TIC and the Hong Kong Tourism Board, in order to meet the training needs of trade members and facilitate the overall development of the travel industry.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

	2010
Mainland China	22 684 388
Taiwan	2 164 750
Macao	780 388
South and Southeast Asia	3 500 882
Southeast Asia	2 927 555
Indonesia	453 235
Malaysia	578 877
Philippines	603 030
Singapore	709 777
Thailand	449 812
Southeast Asia Others	132 824
India	530 910
Asia Others	42 417
North Asia	2 207 642
Japan	1 316 618
South Korea	891 024
Europe, Africa and the Middle East	2 174 199
Europe	1 757 821
United Kingdom	515 693
Netherlands	106 544
Nordic Countries	138 245
Germany	230 436
France	239 964
Italy	118 915
Spain and Portugal	75 973
Russia	86 800
Europe Others	245 251
South Africa	77 658
Africa Others	126 967
Middle East	211 753
The Americas	1 749 558
USA	1 171 419
Canada	404 252
Central America	49 338
South America	124 549
Australia, New Zealand and South Pacific	768 524
Australia	650 681
New Zealand	108 156
South Pacific Others	9 687
Total	36 030 331

- (b) The Individual Visit Scheme (IVS) and related facilitation measures are Mainland policies, and how quickly IVS will expand depends on the decision of the Central People's Government. We welcome the extension to other parts of Guangdong Province the multiple-entry IVS endorsement measure currently available to residents with Shenzhen household registration at an appropriate juncture, which will benefit the tourism, retail, and related sectors in Hong Kong. The Tourism Commission has been maintaining liaison with relevant Mainland authorities on IVS measures. The expenditure of the above tasks has been subsumed into the provision for 2011-12 for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately.
- (c) In keeping with Hong Kong's image as an international metropolis and world-class tourist destination, the Hong Kong Tourism Board (HKTB) has all along been committed to maintaining a balanced portfolio of visitors. In 2011-12, HKTB's marketing efforts will cover a total of 20 long-haul and short-haul markets, including emerging markets such as India, Russia, the Middle East, Vietnam and the Netherlands.

In terms of its promotional strategies, HKTB will launch 10 major promotional campaigns under the theme "Asia's World City" to showcase Hong Kong's diverse tourism appeals in both Hong Kong and visitor source markets. These campaigns will highlight Hong Kong's shopping, cultural festivities, dining, theme parks, mega events, greenery as well as arts and culture. HKTB will also work with local and overseas travel trade to develop and promote travel packages and itineraries on various themes, including multi-destination itineraries featuring Hong Kong and Mainland cities. In addition, HKTB will strengthen its digital marketing efforts, making use of online social media and smart phone applications to publicise Hong Kong, as well as co-operating with travel portals to promote Hong Kong tour packages. Furthermore, HKTB will collaborate with international and regional TV networks to produce programmes on Hong Kong so as to raise the interest of overseas consumers in visiting the city. HKTB will also adopt a focused approach and work closely with the Government and the trade to attract more meetings, incentives, conventions and exhibitions visitors to Hong Kong.

In 2011-12, the proposed marketing budget of HKTB for visitor source markets amounted to \$192.1 million, out of which \$136.8 million will be allocated to non-Mainland markets. The related promotion work will be jointly planned and implemented by HKTB's Hong Kong head office, worldwide offices and representative offices.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)044

Question Serial No.

2303

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is stated in the Budget Speech that the Administration will invest more heavily in our tourism infrastructure. Would the Administration advise us of the following:

- a) Apart from the plans to expand and improve the two major theme parks in Hong Kong, are there plans to explore and develop tourist attractions with local characteristics? If yes, what are the details? What will be the expenditure and staffing involved? If no, what are the reasons?
- b) Apart from developing new tourist attractions and upgrading the facilities of the two major theme parks in Hong Kong, are there plans to improve the existing tourist attractions and their facilities? If yes, what are the details? What will be the expenditure and staffing involved? If no, what are the reasons?

Asked by : Hon. IP Wai-ming

Reply :

Apart from the development of theme parks and the cruise terminal, we will also take forward further enhancement of existing tourist attractions and facilities, including the Aberdeen Tourism Project, enhancement of the Lei Yue Mun waterfront, enhancement of the footbridges in Tsim Sha Tsui East, and development of a piazza in Tsim Sha Tsui, so as to enrich the indigenous characteristics of these attractions. Details of these projects, their estimated expenditure and staffing involved are set out below:

(i) Aberdeen Tourism Project

The project scope includes carrying out the improvement works for the promenade on both sides of the Aberdeen Harbour as well as Ap Lei Chau Main Street and adjacent streets, with the theme of a traditional fishermen's village. The project obtained funding approval from the Finance Committee in February this year. We will commence construction within this year for completion in phases between 2012 and 2014. The estimated total expenditure for the project is \$288.1 million. The estimated expenditure in 2011-12 is \$31.3 million. The staffing of the above project has been subsumed into

the establishment of the Commerce, Industry and Tourism Branch of this Bureau for 2011-12, and is difficult to quantify it separately.

(ii) Lei Yue Mun Waterfront Enhancement Project

The scope of works includes the construction of a public landing facility, a breakwater, a waterfront promenade and a new viewing terrace, as well as other streetscape improvements along the Lei Yue Mun waterfront. The relevant works departments are working on the detailed design and the required statutory procedures for gazettal of the project works under the Town Planning Ordinance and Foreshore and Seabed (Reclamations) Ordinance. Subject to funding approval by the Finance Committee, works are expected to commence in 2012 for phased completion from 2013 onwards. The estimated expenditure in 2011-12 is about \$1 million. The staffing of the above project has been subsumed into the establishment of the Commerce, Industry and Tourism Branch of this Bureau for 2011-12, and is difficult to quantify it separately.

(iii) Enhancement of Footbridges in Tsim Sha Tsui East

The project aims to enhance the two existing footbridges across Mody Road and Salisbury Road in Tsim Sha Tsui East including refurbishment of the footbridges, replacement of the existing ramps with lifts, and associated works such as re-paving of footpaths. Works commenced in the third quarter of 2009 for completion by the first quarter of 2012. The estimated total expenditure for the project is \$71.4 million. The estimated expenditure in 2011-12 is \$25.635 million. The staffing of the above project has been subsumed into the establishment of the Commerce, Industry and Tourism Branch of this Bureau for 2011-12, and is difficult to quantify it separately.

(iv) Development of a Piazza in Tsim Sha Tsui

The project scope includes the construction of an open piazza at the harbour-front site next to the Tsim Sha Tsui Star Ferry Pier, and the construction of an adjacent turnaround which can accommodate a number of bus stops and a taxi stand. The piazza will provide a new public open space for leisure enjoyment by both the locals and visitors and for staging events, whereas the new turnaround will enable the site to retain its function as a sea-land interchange. Works for the proposed turnaround were gazetted in June 2009. Having regard to the views collected during the gazettal period, we have further revised the turnaround scheme, and gazetted the amendments in October 2010. We are following up with the views collected on the revised scheme according to the statutory procedures, and will make further assessment before deciding the next steps and timeframe for the project. The project is still at the planning stage, and hence has no estimated expenditure in 2011-12. The staffing of the above project has been subsumed into the establishment of the Commerce, Industry and Tourism Branch of this Bureau for 2011-12, and is difficult to quantify it separately.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)045

Question Serial No.

2304

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Government plans to expand the scale and duration of events organised in Hong Kong to attract visitors. “A Symphony of Lights” being an existing large-scale long-term project, will the Administration inform this Committee of the following:

- (a) the total expenditure and manpower involved, with a breakdown of expenditure, and the income generated since the introduction of “A Symphony of Lights”?
- (b) whether the Government has the statistics on the number of visitors who come for the show? How many shows have been staged so far? What are the visitors’ feedback and evaluation?
- (c) whether the Government plans to reduce the number of shows or replace “A Symphony of Lights” with other projects to support environmental protection? If yes, what are the details? If no, what are the reasons?

Asked by : Hon. IP Wai-ming

Reply :

- (a)&(b) “A Symphony of Lights” was launched in 2004, and is a show involving public and private participation. The Administration is responsible for the cost of production and the recurrent expenditure for the show, including the expenditure for keeping up the operations of the show and the lighting and audio accessories of government buildings taking part in it. The total cost of production is approximately \$98 million. In addition, since the launch of the show, the total recurrent expenditure incurred by the Administration is about \$49 million. The government’s existing manpower has absorbed the work for operations of the show, and there is no need to employ additional manpower. The private participating buildings are responsible for the expenditure for their respective lighting installations and associated recurrent costs, and we do not have the required information in this respect.

Since 2004, the show has been staged on the Victoria Harbour every night, and has been run for over 2 500 times up to the present. It has been included as an evening activity in the itinerary of the majority of tour groups in Hong Kong, and is very popular with visitors, having attracted over 11 million spectators so far. The show was recognised as the world's "largest permanent light and sound show" by Guinness World Records in 2005. According to a visitor survey conducted by the Hong Kong Tourism Board, visitors highly recommended the show. The vast majority of them indicated that they would visit Hong Kong again for the show, or recommend it to their friends and relatives. "A Symphony of Lights" has helped maintain Hong Kong's competitiveness and attractiveness as a tourist destination, and created much business and job opportunities for the travel and related sectors.

- (c) In promoting tourism development in Hong Kong, we also attach importance to and support environmental protection. "A Symphony of Lights" was implemented under the principles of environmental protection and energy conservation. The lighting installations used by participating buildings are generally energy efficient, which can help reduce the overall power consumption on average by 30%, in comparison with traditional lighting installations. Also, the lighting control system used for the show can reduce energy consumption by 10% to 20%. We will continue to strike a balance between economic efficiency and environmental conservation in implementing our tourism projects, so as to attain sustainable development.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)046

Question Serial No.

2305

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to the development project of a piazza in Tsim Sha Tsui, please advise on the following:

- (a) What is the progress and anticipated completion date?
- (b) What is the estimated expenditure? What is the number of staff employed and what are their ranks?
- (c) Since the project will affect the existing Star Ferry Pier and bus terminus, will the Administration earmark resources to improve and enhance the ancillary facilities, such as providing additional street signs, so as to mitigate the inconvenience caused to tourists as well as bus and ferry passengers?

Asked by : Hon. IP Wai-ming

Reply :

The required information about the Tsim Sha Tsui piazza project is as follows:

- (a) The project scope includes the development of an open piazza at the harbour-front site next to the Tsim Sha Tsui Star Ferry Pier, and the construction of an adjacent turnaround which can accommodate a number of bus stops and a taxi stand. Works for the proposed turnaround were gazetted in June 2009. Having regard to the views collected during the gazettal, we have further revised the turnaround scheme, and gazetted the amendments in October 2010. We are following up with the views collected on the amended scheme according to the statutory procedures, and will make further assessment before firming up the next steps and the timeframe for the project.

- (b) As the design of the piazza has yet to be finalized, we are unable to assess the expenditure, and the number and ranking of manpower required in implementing the project.
- (c) The turnaround planned to be constructed next to the piazza will provide a number of bus stops and a taxi stand, so that the majority of bus routes currently using the Tsim Sha Tsui Star Ferry Pier bus terminus could continue to call at the turnaround in future. This will facilitate passengers in interchanging with the Star Ferry, and hence reducing possible impact on the public and visitors.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)047

Question Serial No.

2306

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to the Mega Events Fund, please advise on the following:

- (a) How many large-scale arts, culture and sports events staged in Hong Kong have been supported by the Fund since its establishment?
- (b) Have any studies been carried out on the economic benefits of such mega events for Hong Kong? If yes, please give the details. If not, will consideration be given to allocating more resources for relevant studies in the following year?
- (c) What are the funding criteria? Is there any ceiling set on the financial support for each event?
- (d) What is the estimated number of events receiving support under the Fund in 2011-12? What is the expenditure involved? What are the expected economic benefits?

Asked by : Hon. IP Wai-ming

Reply :

- (a) & (b) The Mega Events Fund (MEF) was established in May 2009 following funding approval of the Finance Committee of the Legislative Council. Since its inception, four rounds of applications were completed and a total sum of \$53 million has been granted to support 14 mega events. The information submitted by the applicants reveals that the MEF supported events are expected to attract over 600 000 participants, including 135 000 visitors, and create around 6 900 jobs. The events have added colour and vibrancy to Hong Kong's city life and boosted Hong Kong's status as an events capital of Asia. They can attract more visitors to Hong Kong specifically for the events or increase their length of stay. With MEF funding, the organisers can expand the scale of the events, enhance their publicity work outside Hong Kong and raise the events' international profile. The Hong Kong Tourism Board (HKTb) can also leverage on the opportunities to include these events into its

promotional plan and adopt different advertising channels (such as newsletters/internet portals coverage, trade notices and advertising boards at different tourist spots) to maximize the publicity effect. Through co-operation with trade partners in neighbouring tourist destinations, the HKTB has also developed special tour packages to attract visitors to Hong Kong for these events.

- (c) The MEF Assessment Committee considers all the applications in detail. MEF has a strict and open assessment mechanism. Successful applications must fulfil certain basic criteria. For instance, the proposed event must be an arts, cultural or sports event; the organisers must be local non-profit-making organisations; and the number of participants in the proposed event must reach at least 10 000. Other assessment criteria include economic benefits, publicity benefits, scale of the event, technical and financial feasibility, as well as the applicants' event management capabilities etc. The funding amount for each supported event varies. The MEF Assessment Committee will consider a number of factors such as the event's content, scale, duration, venue requirements, budget, other funding sources (such as commercial sponsorships and box office income) as well as the capability of the organiser etc. before making a recommendation to the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism), who will then determine the amount of funding for each selected application. To attract mega events to be staged in Hong Kong, there is no funding ceiling for each selected event except that the funding amount cannot exceed 50% of the event's actual total cost.
- (d) Amongst the MEF supported events, four will be held in 2011-12, involving a maximum funding of \$23 million. They are expected to attract over 170 000 participants, including more than 40 000 visitors, and create over 900 jobs. Meanwhile, we shall soon commence the fifth round of MEF applications and we expect that funding support for more events will be approved. The number of mega events to be supported, as well as their nature and funding amount etc. will depend on the number of applications received and how many of them can successfully pass the assessment procedures.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)048

Question Serial No.

2307

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Administration will continue promoting destination appeals of Hong Kong to entice travel desire. In this connection, will the Administration advise the Committee on the following:

- (a) What channels were used to promote destination appeals of Hong Kong in the past year? What was the estimated expenditure?
- (b) What channels would be used to promote destination appeals of Hong Kong? What is the estimated expenditure? To whom would these publicity activities target at?
- (c) Please give the details on organising co-operative programmes with leading global and regional TV networks in the coming year. What is the estimated expenditure?

Asked by : Hon. IP Wai-ming

Reply :

- (a) In 2010-11, the Hong Kong Tourism Board (HKTB) adopted '2010 Festive Hong Kong' as its annual marketing theme, and rolled out a series of mega events and overseas promotional activities, highlighting to the travel trade, media and consumers in different source markets the colourful Chinese and Western celebrations, as well as distinctive local culture in Hong Kong. HKTB also made use of the digital channels, such as social media (Facebook and Sina Weibo), internet and smart phone applications, to make known Hong Kong's attractions and tourism appeal. To maximise the exposure of Hong Kong, HKTB co-operated with different markets and the international media in producing programmes and articles on Hong Kong. Besides, HKTB worked with trade partners in Hong Kong, the Mainland and overseas to devise travel packages and itineraries of different themes throughout the year, including multi-destination itineraries covering Hong Kong and Mainland cities, which were promoted through various channels. For developing MICE (meetings, incentive travels, conventions and exhibitions) tourism, HKTB made use of a variety of means, including participating in major trade fairs, staging road shows, and collaborating with MICE trade media, to publicise Hong Kong's strengths as a premier MICE destination.

The revised estimate for HKTB's promotions in different visitor source markets in 2010-11 amounted to \$184.2 million.

- (b) In 2011-12, HKTB will continue to strengthen its promotion as mentioned above. It will expand the coverage of its promotion to 20 source markets, targeting at different visitor segments (such as young people, families and seniors). Using the theme of 'Asia's World City', HKTB will roll out 10 major campaigns during the year, and inject new elements and programmes into its mega events to fully showcase Hong Kong's tourism appeal, including shopping, cultural festivities, dining, theme parks, signature events, natural sceneries and arts and entertainment. Meanwhile, HKTB will further leverage on digital media and co-operation with international media in publicising Hong Kong. It will also work with the travel trade to develop and promote more itineraries of different themes. To reinforce Hong Kong's image as a MICE destination and attract more MICE visitors, HKTB will make use of the internet and participate in more trade shows.

In 2011-12, HKTB plans to invest \$192.1 million on marketing in visitor source markets.

- (c) In 2011-12, the Hong Kong Tourism Board (HKTB) will produce and distribute video news releases of HKTB's mega events (such as the Dragon Boat Carnival, the Mid-Autumn Lantern Celebrations and the Wine and Dine Festival) as well as unique local festivities in Hong Kong to news channels of TV networks worldwide. HKTB will also seek co-operation opportunities with major international and regional networks to produce travelogues or film episodes of popular reality TV programmes in Hong Kong.

In 2011-12, HKTB has earmarked \$37.613 million for implementing its global public relations initiatives, including the expenditure on co-operation with major international and regional TV networks. Details of the partnerships and expenditure to be incurred can only be finalised by HKTB after discussions with individual networks.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)049

Question Serial No.

2308

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Administration looks forward to the smooth operation of Ngong Ping 360. In this connection, would the Administration inform this Committee of the following:

- (a) Patronage of Ngong Ping 360 for the past year and the amount of fare revenue.
- (b) Number of visitor to Ngong Ping Village and the amount of rent revenue.
- (c) Expenditure involved in operating Ngong Ping 360 and details of the operation.
- (d) Operational expenditure of Ngong Ping Village and details of the operation.
- (e) Total number of shop tenants of Ngong Ping Village accumulated since its opening, the respective numbers of tenants who have been renting the shops since its opening and ceased tenancy.

Asked by : Hon. IP Wai-ming

Reply :

- (a)-(b) Ngong Ping 360 (including the cable car system and Ngong Ping Village) is a popular attraction among family and young visitors. The total number of visitors went up by 21% from 1.4 million in 2009 to 1.7 million in 2010, of which local, Mainland and overseas visitors constitute 41%, 15% and 44% respectively. The total revenue, including cable car fares and rents from the Ngong Ping Village tenants, amounted to \$239 million in 2010.
- (c)-(d) Ngong Ping 360 Limited is a subsidiary of the MTR Corporation (MTRC). In accordance with the Tung Chung Cable Car Ordinance, MTRC has been granted the franchise to operate, manage and maintain the cable car system, and to determine and collect fares during the franchise period. Ngong Ping 360 seeks to attract more visitors and enhance their travel experience through launching various marketing promotions in 2010, such as the Buddha Festival Promotion, the Shaolin Kung Fu Show, the Parkour performance and the Snowy Christmas Promotion. Generally speaking, the operation of Ngong Ping 360 is healthy.

- (e) According to Ngong Ping 360 Limited, there are at present 25 shops in the Ngong Ping Village, over 50% of which have been operating since the opening of Ngong Ping 360 in 2006. From 2006 to 2011, altogether 33 tenants have operated in Ngong Ping Village, including the current operators. At the end of February 2011, one shop was left vacant after expiry of tenancy and Ngong Ping 360 is now in active discussion with potential tenants.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

**Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)**

Date _____

16.3.2011

(b) – (c) In 2011-12, HKTB will implement the following publicity strategies and measures to promote green tourism products (including the Geopark):

Promotions targeting visitors

- To promote green tourism products (including those featuring the Geopark) which are operated by local travel agents to inbound visitors through various channels such as HKTB’s website, visitor centres and guide books.
- To organise complimentary guided tours in November under the “Great Outdoors Hong Kong!” programme by taking visitors to see the landforms at the Geopark.
- To encourage, via the “Great Outdoors Hong Kong!” thematic website and complimentary guidebook, free and independent visitors to explore the Geopark.
- To arrange different media organisations from target source markets to visit and feature the Geopark in their TV programmes or publish articles which showcase the Geopark.
- To work with overseas trade partners specialising in green tourism products to develop itineraries featuring the Geopark and promote them to nature lovers.

Promotions targeting overseas trade

- To invite overseas trade partners specialising in green tourism to visit the Geopark and encourage them to include the Geopark itineraries in their products.
- To introduce the Geopark by display boards at travel fairs and road shows in target source markets; and to distribute recommended itineraries and information on the Geopark to the overseas trade for reference for developing new tourism products.

The above work will be implemented by HKTB with existing resources. No additional expenses will be incurred.

Promotion of the Geopark and other natural attractions will entice nature lovers to visit Hong Kong (including senior citizens in Japan and hikers from certain source markets). Their spending in Hong Kong will bring us economic benefits, which are nevertheless difficult to quantify.

In 2011-12, the Agriculture, Fisheries and Conservation Department has earmarked \$29.2 million under Head 22 Programme (2) Nature Conservation and Country Parks for the management and operation of the Geopark, including \$8 million for geo-conservation.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Level of study	2008-09 academic year	2009-10 academic year	2010-11 academic year	2011-12 academic year
Sub-degree	155	155	155	155
Undergraduate (including first-year and senior year intakes)	217	217	217	217

(Note: Recurrent subventions through UGC are provided mainly in the form of block grants. Institutions are free to determine the amount of resources to be used for different courses and subjects. As such, the amount of resources involved in the programmes on tourism and hotel management is not available.)

The numbers of new intakes of VTC's tourism-related courses as well as the Government subvention involved in the past three years and the coming year are set out below –

	2008-09 academic year	2009-10 academic year	2010-11 academic year	2011-12 academic year
Number of new intakes	2 128	2 242*	2 077	1 645**
Government subvention involved	\$96 million	\$105 million	\$103 million	\$87 million

* Increased number of student places were offered in the 2009-10 academic year to meet the upsurge of student demand due to economic downturn.

** Student intake will be decreased in the 2011-12 academic year because there will be no new intake of secondary 5 school leavers under the New Senior Secondary academic structure.

The numbers of tourism workers trained by SUS, YPTP&YWETS and EPM over the past three years as well as the resources involved are set out below –

	2008-09	2009-10	2010-11
Number of tourism workers trained	1 129	2 059	1 447
Resources involved	\$3.335 million	\$3.412 million	\$2.537 million

(Note: YPTP and YWETS were integrated as YPTP&YWETS in 2009. The above-mentioned number of tourism workers trained by YPTP&YWETS and EPM as well as the resources involved in 2010-11 are as at end-February 2011.)

In the coming year, the Labour Department will continue to operate YPTP&YWETS and EPM. As enrolment of these two employment programmes is demand-led and depends on a variety of factors including the prevailing economic and labour market conditions, we are unable to precisely estimate the expenditure to be incurred in 2011-12.

In 2011-12, new SUS classes will not be offered owing to the imminent exhaustion of the \$400 million funding of SUS. To ensure service continuity for the target clients of SUS, the Employees Retraining Board has launched the

Skills Upgrading Scheme Plus (SUS Plus) in 2009 with a view to taking over SUS for in-service workers in phases. SUS Plus includes courses in industries not covered under SUS as well as those for people planning to work in another industry.

To facilitate the manpower development of the cruise tourism trade, the Tourism Commission (TC) and the Advisory Committee on Cruise Industry (ACCI) have implemented the action plan to launch training courses related to cruise tourism through the SUS and the Travel Industry Council of Hong Kong (TIC). Since the middle of 2009, courses such as “Introductory Course on Cruise Travel”, “Practical Skills in Servicing Cruise Travellers” and “Cruise Selling Training Course”, etc. have been organised. We will closely monitor the needs of the trade and adjust the manpower development plan and the supply of training places as appropriate. We also collaborate with the Curriculum Development Institute of the Education Bureau in conducting seminars on the development of cruise tourism in Hong Kong for secondary school teachers teaching “Tourism and Hospitality Studies (THS)”, so that they can better understand cruise tourism development in Hong Kong. Last year, ACCI also started organising ship tours and experience sharing sessions with trade members for secondary school students taking THS in order to attract more young people to join the tourism industry. Moreover, the information on cruise-related courses provided by tertiary and training institutions on the websites of TC and TIC will be updated regularly, making it easier for the trade and members of the public in selecting suitable courses. TC will continue to promote manpower development of the cruise industry in collaboration with relevant parties with its existing manpower and resources. The expenditure of the above training courses has been subsumed into the overall expenditure of the relevant organisations. It is difficult to quantify such expenditure separately.

- (3) According to the latest figures released by the Census and Statistics Department (C&SD), total employment of the tourism industry in 2009 was 193 200. Detailed figures are set out below –

	Employment in 2009
Tourism industry	193 200
• Inbound tourism	164 500
- Retail trade	82 800
- Food and beverage services	28 100
- Accommodation services	27 300
- Cross-boundary passenger transport services	11 600
- Others	14 700
• Outbound tourism	28 700
- Travel agency, reservation service and related activities	19 800
- Cross-boundary passenger transport services	8 900

In respect of income level, in accordance with the latest figures released by C&SD, the median monthly wages of full-time employees in tourism-related industries in the second quarter of 2010 are as follows –

Industry	Median monthly wage of full-time employees in the second quarter of 2010
Land transport	\$13,200
Accommodation and other food service activities	\$11,300
Travel agency, reservation service and related activities	\$9,600
Retail trade	\$9,500
Restaurants	\$8,700

We have no information on the ranks of personnel engaged in tourism-related industries, nor do we have detailed information about employees in the cruise industry.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)052

Question Serial No.

0202

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In 2011-12, the Commerce and Economic Development Bureau will strengthen efforts to promote Hong Kong's stable and business-friendly environment in the Mainland, Taiwan and emerging markets in Russia, India, the Middle East and South America. Please advise us:

- a. what investments were made by those emerging markets in Hong Kong during 2010-11?
- b. what relevant concrete measures will be drawn up to attract those emerging markets to increase their investments in Hong Kong?
- c. how much expenses will be involved?
- d. in 2011-12, what is the estimated number of investors coming from those emerging markets and what is the estimated amount of their per capita spending in Hong Kong?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

- (a) In 2010-11, more companies from the key emerging markets have shown interest in setting up or expanding their business operations in Hong Kong. The number of live projects from Russia, India, the Middle East and South America handled by Invest Hong Kong in 2010 was around 50, representing around 7% of the total live projects of InvestHK. These companies were mainly from the financial services, consumer retail, information technology, transport and industrial as well as tourism and hospitality sectors. In terms of completed investment projects, InvestHK has completed 10 projects from these emerging markets in 2010, involving direct investment of around \$2,850 million.

- (b) In 2011-12, InvestHK will continue to reach out to companies from key emerging markets, like Russia, India, the Middle East and South America, through organising investment promotion visits and seminars on the business friendly environment of Hong Kong to encourage and assist companies with sizable operations to set up in Hong Kong. InvestHK will also conduct a joint promotion seminar with Zhuhai in South America in the first half of 2011 to promote the combined advantages offered by the economic integration of Hong Kong and the Mainland.
- (c) The estimated expenditure for conducting investment promotion activities in these emerging markets in 2011-12 is around \$2.7 million. This figure does not include staff cost or general marketing and promotion expenses which cannot be separately itemised.
- (d) The Administration does not have any estimate of the number of investors coming from emerging markets nor any estimate of their per capita spending in Hong Kong.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

and management, and beware of low-priced travel itineraries. It also provides visitors with tips on shopping in Hong Kong. The website is hyperlinked with the websites of a number of consumer organisations and tourism authorities in the Mainland.

To further protect visitor's interests and combat unscrupulous market practices in response to several suspected coerced shopping incidents involving Mainland inbound group visitors last year, the TIC introduced targeted measures in mid-2010 and established a Task Force to examine in particular the question of zero/negative reception fee for Mainland inbound tour groups and regulation of tourist guides. The Task Force proposed 10 new improvement measures which came into effect on 1 February 2011.

Honest and quality tourism is an important subject in our tourism co-operation with the Mainland. The Government has all along maintained close contact with the China National Tourism Administration and other regional tourism authorities on the tourism development and regulation of the two places. Mainland tourism authorities also support our regulatory work, and take action to complement the 10 measures introduced by the TIC, including undertaking to assist in the promotion of consumer rights in the Mainland through the distribution of a guide to inbound visitors, and stipulating the content of the contract to be signed between Mainland organising agents and Hong Kong receiving agents.

The Government will continue to work closely with Mainland tourism authorities, and monitor the implementation and effectiveness of the new regulatory measures introduced by the TIC. On fostering a hospitable culture, the Tourism Commission has launched the Hong Kong Young Ambassador Scheme since 2001 to train young people to be polite and helpful to visitors, as well as to develop a strong hospitable culture in schools and the community. We will continue to promote a hospitable culture, and the TIC will also take the initiative to improve the service quality of tourist guides, for example, by strengthening the professional conduct and ethics education in tourist guide training courses. This will ensure our visitors can enjoy quality service.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)054

Question Serial No.

0204

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In 2011-12, the Hong Kong Tourism Board will expand in emerging markets including stepping up penetration into two new cities (Chennai and Bengaluru) in India and Saudi Arabia in the Middle East, and develop high potential new source markets such as Vietnam and the Netherlands. Will the Administration please advise,

- (a) the specific measures in place, such as arrangement for increasing direct flights, visa-free access and translation service?
- (b) the ways to strengthen emergency communication channels with these emerging markets to ensure the availability of proper arrangements in case of an incident?
- (c) the expenditure involved?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

- (a) The promotional strategies adopted by the Hong Kong Tourism Board (HKTB) for India, the Middle East, Vietnam and the Netherlands in 2011-12 are as follows:

India

- To expand promotion from Mumbai and New Delhi to Bengaluru and Chennai, thereby covering all Indian cities with direct flights to Hong Kong. Visitors from these cities represent 80% of total Indian arrivals.
- To strengthen networking and co-operation with the Indian travel trade and leading trade partners, including airlines and travel agencies; and to launch joint campaigns and tactical packages in two key promotional windows in India (from April to May and from October to November) to attract more visitors to Hong Kong.

- To co-operate with operators of Hong Kong's attractions and neighbouring destinations such as Macau, to promote multi-destination itineraries; and to launch tourism products targeting the family segment in New Delhi and Mumbai.
- To work with the trade and cruise companies to publicise fly/cruise itineraries at major trade fairs and consumer promotion events in India.
- To collaborate with Indian MICE (meetings, incentives, conventions and exhibitions) trade partners to promote value-added proposals for meetings and incentive travels to major industries including finance, insurance, manufacturing and pharmaceutical.

The Middle East

- To focus on the United Arab Emirates (Abu Dhabi and Dubai) and Saudi Arabia within the Gulf Co-operation Council region; and appoint a representative in Saudi Arabia in 2011, focusing marketing activities in Riyadh and Jeddah.
- To launch itineraries featuring Hong Kong and the Pearl River Delta, attracting the family segment and young professional expatriates in the Middle East to visit Hong Kong on multi-destination itineraries.
- To participate in the Arabian Travel Market exhibition in Dubai in May 2011, and organise a trade delegation to the Middle East during the year, so as to enhance the knowledge and interest in Hong Kong among the travel trade in the Middle East, as well as to create a business platform for the Hong Kong and Middle Eastern trades to explore co-operation opportunities.
- To engage major airlines and tour operators in tactical co-operative promotions during the two major travel windows of April and October.

Vietnam

- To establish trade networks in two key cities, namely Hanoi and Ho Chi Minh City, so as to enhance the knowledge in Hong Kong's tour products among the travel trade in Vietnam.
- To take part in the International Travel Expo in Ho Chi Minh City with Hong Kong trade partners in September 2011; and to organise a trade delegation to Vietnam in November to create a business platform for the travel trades of Hong Kong and Vietnam.

The Netherlands

- To focus on Amsterdam initially and to establish network with the travel trade through travel missions and participation in Vakantiebeurs, the top trade and consumer travel fair in the country.

As for our visa regime, the Government adopts a relatively liberal visa policy. While we endeavour to facilitate visitors to come to Hong Kong, we need to strike a balance to uphold effective immigration control. At present, nationals of India, Saudi Arabia and the Netherlands may visit Hong Kong visa-free for up to 14 days, 30 days and 90 days respectively. In recent years, the Immigration Department (ImmD) has put in place special measures (such as streamlining their visit visa application procedures) to facilitate the visits of genuine Vietnamese visitors. The Government will monitor the situation and update its assessment as necessary to see if further adjustment for the immigration arrangements for the Vietnamese nationals is required.

- (b) Hong Kong residents can call the 24-hour “1868” hotline of the Assistance to Hong Kong Residents Unit of the ImmD if they are in distress outside Hong Kong. ImmD will, having regard to the circumstances and requests of the assistance seekers, provide necessary assistance. Besides, the Chinese Diplomatic and Consular Missions (CDCMs) in overseas countries will provide consular protection and services to Hong Kong residents who are Chinese citizens. In handling requests for assistance from Hong Kong residents in distress overseas, the ImmD maintains close liaison with the Office of the Commissioner of the Ministry of Foreign Affairs in the Hong Kong Special Administrative Region and CDCMs whenever necessary.
- (c) The marketing budgets of the HKTB for India, the Middle East, Vietnam and the Netherlands in 2011-12 are as follows:

	2011-12 Proposed Budget (HK\$ million)
India	11.7
Middle East	7.1
Vietnam	3.5
Netherlands	2.8

Signature _____

Name in block letters Andrew HY WONG

Post Title Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date 16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)055

Question Serial No.

1716

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (1) Director of Bureau's Office

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The estimated expenditure for 2011-12 is 19.6% higher than the revised estimate for 2010-11. The Bureau explains that this is mainly due to the provision required for the creation of one position of Political Assistant. Since the performance of the Political Assistants is unsatisfactory, queries have been raised on the expected effectiveness of their appointment and the Government has indicated that it will review the system. What are the grounds for creating a position of Political Assistant at the present time?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

Provision earmarked for the position of Political Assistant was covered in the original estimate for 2010-11. Since a suitable candidate has yet to be identified to fill the position, the unused provision was not included in the revised estimate for 2010-11. The estimate for 2011-12 is \$1.9 million higher than the revised estimate for 2010-11 due to the provision required for filling the vacancy in 2011-12. Regarding the filling of Political Assistants vacancies in the Government, the Government's consistent position is that, if there are suitable candidates, such positions will be filled. If necessary, this could be done in phases. We consider it appropriate to make provision for the position of Political Assistant in 2011-12.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)056

Question Serial No.

1717

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Will the Bureau allocate additional resources to enhance efforts in promoting co-operation between Hong Kong and the Mainland, Taiwan, as well as emerging markets in Russia, India and the Middle East on the trade and investment fronts? What is the expenditure involved?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

In 2011-12, we will strengthen our efforts in promoting cooperation between Hong Kong and the Mainland, Taiwan, as well as the emerging markets on the investment and trade fronts. Invest Hong Kong (InvestHK) will continue to promote Hong Kong's business-friendly environment and attracting companies from the Mainland, Taiwan and key emerging markets to set up or expand their operation in Hong Kong through a range of investment promotion (IP) activities and services. These include meeting with potential investors, organising seminars and sector-focused workshops, providing better aftercare services to companies already set up in Hong Kong, carrying out advertising and public relations campaign, as well as arranging and receiving incoming investment study missions. These enhanced efforts will be carried out through internal redeployment of existing resources of InvestHK. The estimated expenditure for conducting IP activities in these markets in 2011-12 is around \$7.9 million. This figure does not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

Signature _____

Name in block letters Andrew HY WONG

Post Title Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date 16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)057

Question Serial No.

1718

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The number of local fairs planned to be organised in 2011 is similar to that of 2010. Is it because of venue availability or other reason that the number of fairs cannot be increased or the Council has no intention of expanding its business in the organisation of fairs? Please inform us of the reason.

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Hong Kong Trade Development Council (HKTDC) organises more than 30 local fairs annually and will continue to enhance the quality of these fairs so as to attract more exhibitors and buyers to participate. When drawing up its annual promotion plan, HKTDC will review its activities in the preceding year, adjust its strategies and decide which projects should be added or deleted, taking into account the needs of various industries. For example, after discussion with the industry, the format of the Hong Kong Music Fair will be changed to a music festival in this year, so as to better serve the need of the industry. Moreover, HKTDC will co-operate with a private fair organiser to launch a new fair entitled "Better Living Expo" at AsiaWorld-Expo in July 2011.

Due to the above reasons, the number of local fairs organised by HKTDC in 2010 and 2011 remains unchanged. Nevertheless, the total number of trade and services promotion events organised by HKTDC will be increased (from 821 in 2010 to 830 in 2011).

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)058

Question Serial No.

1719

Head : Head 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The estimate for 2011-12 is significantly higher than the revised estimate for 2010-11 by 197%. According to the Bureau, this is mainly due to the provision for the establishment of the Competition Commission. How many posts are expected to be created? What will be the annual operational cost? How many complaints are expected to be handled annually?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The increased provision for Programme 4 in 2011-12 is mainly for the establishment and initial operation of the Competition Commission (Commission) should the Competition Bill (Bill) be enacted within 2011-12. It caters for the recruitment and employment of the Commission's staff, preparation of office accommodation for the Commission, and the research and promotional work by the Commission. No civil service posts will be created. The Commission may employ staff and engage other persons on contract for services as it considers necessary to perform its functions.

Based on overseas experience and local circumstances, the rough full-year cost for operating the Commission at the initial stage is estimated to be \$67 million. We do not have any estimate of the number of complaints to be handled by the Commission annually.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)059

Question Serial No.

1724

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Given the reduced number of consumer surveys to be conducted by the Consumer Council in 2011, there should be more resources for product tests. Why is there no corresponding increase in the number of product tests to be conducted?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Consumer Council estimates that the number of product tests in 2011 will be as same as the actual number in 2010. Although the projected number of consumer surveys to be undertaken in 2011 is smaller than the actual number in 2010, in view of the requirements of different surveys, the total amount of resources involved is broadly the same. The Council will continue to conduct product tests in the light of actual circumstances.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)060

Question Serial No.

1725

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The number of response to consultation from the Government and other public bodies in 2011 is estimated to be 18, a decrease from 27 in 2009 and 21 in 2010. What are the reasons for the decrease?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Consumer Council estimates that the number of responses to consultation from the Government and other public bodies in 2011 will drop, as compared to the actual numbers in 2009 and 2010. This is a projection based on the patterns in 2009 and 2010. Where consultation from the Government and other public bodies involves matters of consumer rights, the Council will continue to provide its views.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)061

Question Serial No.

1726

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Will the Consumer Council organise activities in tandem with the implementation of the competition law to inform consumers of their rights under the legislation?

Asked by : Hon. LAM Kin-fung, Jeffrey

Reply :

The Consumer Council has established a Working Group to examine issues relating to competition policy. The Working Group will also undertake promotional and educational activities to enhance the understanding of consumers, the business sector and the rest of the community on those issues and the Competition Bill. In December last year, the Council held a seminar for the business sector (in particularly small and medium enterprises) to exchange views on the Competition Bill. The Council will continue to organise similar promotional and educational activities in 2011-12.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)062

Question Serial No.

2731

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide a breakdown of the estimated expenditure of the Hong Kong Trade Development Council (HKTDC) in 2011-12 on helping Hong Kong enterprises tap the Mainland market and the details. Does the HKTDC have any plan to further expand its office network in the Mainland? Please compare the specific tasks involved and the breakdown of expenditures for the past three years (i.e. 2008-09 to 2010-11) with those of 2011-12.

Asked by : Hon. LAM Tai-fai

Reply :

(a) In 2011-12, the Hong Kong Trade Development Council (HKTDC) has earmarked \$273 million to help Hong Kong companies tap the Mainland market through the following three areas:

(i) Assisting manufacturers and traders to access Mainland domestic market, build brand awareness and expand sales network

- organising “Style Hong Kong” shows in Mainland cities;
- operating the Design Gallery shop in Beijing and its related online shop;
- organising exhibitions for targeted products and short-term product promotions in suitable department stores in Mainland cities; and
- organising Hong Kong companies to take part in major Mainland consumer fairs and setting up Hong Kong Pavilion in suitable trade shows in the Mainland to promote products and services of Hong Kong.

Total expenditure for the above events is about \$186 million.

(ii) Assisting service providers to make inroads into the Mainland market

- staging mega promotion events such as “Smart HK” in Guangzhou;
- organising a large-scale services promotion event in Chengdu;

- staging a series of roadshows in various Mainland cities to promote Hong Kong's services industry as a whole; and
- organising different kinds of promotional events such as seminars and workshops, covering industries such as licensing, architecture, infrastructure & real estate, entertainment, logistics, financial services, design, brand management and legal service.

Total expenditure for the above events is about \$43.5 million.

(iii) Assisting Hong Kong companies to build up business contacts with their Mainland counterparts

- receiving Mainland business missions to Hong Kong;
- organising networking functions and receptions in the Mainland;
- staging exhibitions in the Mainland to promote the services that can be provided by the small and medium enterprises in Hong Kong; and
- organising training programmes in Hong Kong for Mainland private enterprises.

Total expenditure for the above events is about \$43.5 million.

(b) HKTDC has 11 Mainland offices, which are located in Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou, Chengdu, Fuzhou, Wuhan, Dalian, Qingdao and Xian. These offices service major cities in the Mainland with coverage extending to nearby second-tier and third-tier cities. In 2011-12, HKTDC does not have any plans to expand its offices in the Mainland.

(c) The number and scale of the promotional activities organised by HKTDC has increased over the past three years, for example, HKTDC set up the Design Gallery in Beijing and its online shop in 2009 and 2010 respectively to further promote Hong Kong brand to more Mainland consumers; and in 2011-12, HKTDC will organise "Smart HK" in Guangzhou to promote Hong Kong's services industries.

A comparison of the total expenditure of HKTDC's promotional activities in the Mainland in the past three years and the budget for 2011-12 is set out below:

	2008-09	2009-10	2010-11	2011-12
Total expenditure of HKTDC's promotional activities in the Mainland	\$133 million	\$193 million	\$245 million [^]	\$273 million [#]

[^] Figures to be finalised at the end of financial year

[#] Estimate

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)063

Question Serial No.

2736

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

When compared to the original estimate for 2010-11, the Commerce, Industry and Tourism Branch's financial provision for 2011-12 under Programme (2): Commerce and Industry will increase by 0.1% only. How will the Branch make use of this slight increase to accomplish the work of fostering and following up on the development of industry and commerce commissioned? How will the Branch adjust the estimated expenditures in various areas to cope with increasing workload arising from trade and tourism promotion?

Asked by : Hon. LAM Tai-fai

Reply :

The provision for 2011-12 (\$150.7 million) is \$0.2 million (0.1%) higher than the original estimate for 2010-11 (\$150.5 million). This is mainly due to increased salary provision arising from staff changes, partly offset by decreased cash flow requirement for the non-recurrent items.

The Branch will continue to make use of existing resources to formulate policies to promote the development of Hong Kong's commerce and industry. In conjunction with the Branch, the family departments and agencies under the purview of the Branch will also suitably deploy their resources to facilitate and implement measures in relation to commerce, industry and tourism. If necessary, the Branch will flexibly redeploy resources to cope with various work in promoting commerce, industry and tourism.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)064

Question Serial No.

2737

Head : Head 152 - Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

As mentioned in "Matters Requiring Special Attention in 2011-12", the Branch will assist the trade to adjust to changes in Mainland's policy on processing trade through industrial restructuring and upgrading, relocating their operations and opening up new markets. Please provide details of the specific tasks involved and breakdown of the expenditures for 2011-12, as compared to the estimated expenditures for the past three years (i.e. 2008-09 to 2010-11).

Asked by : Hon. LAM Tai-fai

Reply :

Through the following work, the Commerce and Economic Development Bureau encourages and assists Hong Kong enterprises in upgrading and restructuring, relocating their operations, and opening up new markets so as to adjust to changes in the Mainland's policy on processing trade:

- maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand their concerns and views; and maintaining close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to convey to and discuss with them the trade's views and proposed measures;
- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities like symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade's understanding of Mainland's new policies, legislation and the business environment. TID's website includes a dedicated page on business information on Mainland China, with hyperlinks to the economic and trade websites of about 190 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to trade-related information on the Mainland;

- organising promotional activities and trade fairs through the Hong Kong Trade Development Council (HKTDC), and organising delegations to visit the Mainland with a view to enhancing the trade's understanding of Mainland policies and market development;
- providing Hong Kong enterprises with support services on technological upgrading, management improvement, branding and market development, etc., and also Mainland market information through the HKTDC and the Hong Kong Productivity Council; and
- with regard to financial support, assisting small and medium enterprises (SMEs) through the "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, restructuring and business relocation.

The above is our ongoing work. Our work priorities for each year may be different in light of the prevailing economic and business environment and concerns expressed by the trade.

For example, in 2008-09 and 2009-10, our work priorities were to assist the trade in coping with the financial tsunami. On one hand, we maintained close dialogue with the trade to understand their situations and requests, in response to which we have launched supportive measures including enhancing flexibility in the use of "SME Loan Guarantee Scheme", introducing a "Special Loan Guarantee Scheme" which has a total loan guarantee commitment of \$100 billion and extending its application period, and increasing the grant ceiling and scope of the "SME Export Marketing Fund". On the other hand, we liaised closely with the Mainland authorities, which responded positively to the views of the HKSAR Government and the trade. Various concrete facilitation measures were launched by the Mainland authorities in 2008-09 and 2009-10, including raising the export tax rebate rates for a number of times, suspending the actual payment of standing book deposit for processing trade enterprises, reducing or waiving administrative fees and charges, implementing "restructuring without stopping production" and "consolidated tax return for multiple domestic sales", etc.

In 2010-11, the Mainland's policy direction in respect of the processing trade is to maintain an overall stable policy, and to continue with the implementation of major support measures so as to encourage enterprises engaging in processing trade to upgrade, restructure, and tap the Mainland domestic market. We have actively conveyed to and discussed with the Mainland authorities the trade's views and suggested improvement measures with regard to tapping the domestic market. The suggestions include simplifying the procedures for Hong Kong enterprises to open distribution and retail outlets, strengthening the protection of intellectual property rights, simplifying the procedures for quality supervision and inspection, etc. Meanwhile, in view of the fact that many Hong Kong enterprises have relocated the production processes outside Hong Kong and set up subsidiaries in the Mainland or overseas, the Hong Kong Export Credit Insurance Corporation has since March 2011 extended its insurance coverage to contracts between subsidiaries wholly owned by Hong Kong companies in the Mainland or overseas and their buyers. The extension would offer Hong Kong companies better credit risks protection when developing businesses in overseas and Mainland markets.

The manpower and expenditure of the above-mentioned work have been subsumed within the establishment and provision for this Bureau and relevant departments and organisations. It is difficult to quantify them separately.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)065

Question Serial No.

2738

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

As mentioned in "Matters Requiring Special Attention in 2011-12", the Branch will promote co-operation between major convention and exhibition facilities to achieve better utilisation and closely monitor Hong Kong's long-term demand for additional facilities. What are the details of the work and the estimated expenditure involved?

Asked by : Hon. LAM Tai-fai

Reply :

The Hong Kong Convention and Exhibition Centre (HKCEC) and the AsiaWorld-Expo (AWE) are the two major convention and exhibition facilities in Hong Kong. The Government has been facilitating their co-operation so as to better utilise the existing convention and exhibition facilities. In 2010, Hong Kong Trade Development Council (HKTDC) organised a number of trade exhibitions at AWE including Hong Kong International Printing and Packaging Fair, Hong Kong International Building and Decoration Materials & Hardware Fair, International Trade Fair on Environmental Protection, and International Sourcing Fair for Sports Equipment and Sports Apparel. The Government will continue to enhance communication between HKTDC and AWE, including encouraging HKTDC to hold more new exhibitions at AWE. In addition to a new exhibition to be launched by HKTDC at AWE this year, HKTDC is actively considering using AWE to organise more new exhibitions in 2012. The Government will continue to liaise with the industry and closely monitor Hong Kong's long-term demand for additional facilities.

The above work is part of the matters covered under programme (2). We do not have separate estimates for the expenditures required in relation to this work.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)066

Question Serial No.

2739

Head : 152 – Government Secretariat : Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

As mentioned in “Matters Requiring Special Attention in 2011-12”, the Branch will support the further development of wine-related businesses in Hong Kong. What are the details of the work and the estimated expenditure involved?

Asked by : Hon. LAM Tai-fai

Reply :

To help the industry tap the business opportunities arising from the growing demand for wine across Asia (especially the Mainland), we will roll forward and keep up the momentum of our supportive measures. More specifically, we are focusing our efforts in 2011-12 on attracting more wine traders to participate in our promotional events and set up companies here, encouraging more exchange programmes with major wine-producing countries for wine and food pairing, consolidating the certification scheme for wine storage facilities, facilitating the clearance of wine imported into the Mainland through Hong Kong, fostering manpower training and education, combating counterfeits, enhancing/encouraging key home-grown and international wine promotional events in Hong Kong, and assisting wine-producing countries/regions in establishing regional promotional offices here.

The above measures help create favorable conditions for the industry to capitalize on the expertise, experience and network available in Hong Kong for the further development of wine-related businesses. We will maintain our dialogue with the industry and take into account the views of relevant stakeholders when mapping out other practical supportive measures.

In 2011-12, we will continue to use existing manpower resources to roll forward the above measures. Other than that, the main expenses would go to two key wine-related promotion events this year. They are the third Hong Kong Wine and Dine Festival which the Hong Kong Tourism Board will organize in late October and the fourth Hong Kong International Wine and Spirits Fair to be staged by the Hong Kong Trade Development Council in early November. The costs will be recovered through charging of fees, commercial sponsorship and/or government subvention.

Signature

Name in block letters

Andrew HY WONG

Post Title

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)067

Question Serial No.

2740

Head : Head 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The estimated expenditure of this programme for 2011-12 is 188.4% higher than the original estimate for 2010-11. According to the Government, this is due to the provision for the establishment and operation of the Competition Commission. How is the estimated expenditures apportioned and what are the relevant details?

Asked by : Hon. LAM Tai-fai

Reply :

Provision for Programme (4) in 2011-12 is higher than the original estimate for 2010-11, mainly due to the provision of \$45.23 million earmarked for the establishment and initial operation of the Competition Commission (the Commission) should the Competition Bill (the Bill) be enacted within 2011-12. It caters for the recruitment and employment of the Commission's staff, preparation of office accommodation for the Commission, and the research and promotional work by the Commission. The actual expenditure will depend on the legislative progress of the Bill.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)068

Question Serial No.

2741

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the plan of the Hong Kong Tourism Board to expand emerging tourism markets mentioned under Matters Requiring Special Attention in 2011-12, what are the estimated expenditure required and the relevant details? What are the shares out of the estimated expenditure for newly-developed markets in India, the Middle East, Southeast Asia and Europe where expansion is intended and the relevant expenditure details?

Asked by : Hon. LAM Tai-fai

Reply :

The promotional strategies adopted by the Hong Kong Tourism Board (HKTB) for India, the Middle East, Vietnam and the Netherlands in 2011-12 are as follows:

India

- To expand promotion from Mumbai and New Delhi to Bengaluru and Chennai, thereby covering all Indian cities with direct flights to Hong Kong. Visitors from these cities represent 80% of total Indian arrivals.
- To strengthen networking and co-operation with the Indian travel trade and leading trade partners, including airlines and travel agencies; and to launch joint campaigns and tactical packages in two key promotional windows in India (from April to May and from October to November) to attract more visitors to Hong Kong.
- To co-operate with operators of Hong Kong's attractions and neighbouring destinations such as Macao, to promote multi-destination itineraries; and to launch tourism products targeting the family segment in New Delhi and Mumbai.
- To work with the trade and cruise companies to publicise fly/cruise itineraries at major trade fairs and consumer promotion events in India.
- To collaborate with Indian MICE (meetings, incentives, conventions and exhibitions) trade partners to promote value-added proposals for meetings and incentive travels to major industries including finance, insurance, manufacturing and pharmaceutical.

The Middle East

- To focus on the United Arab Emirates (Abu Dhabi and Dubai) and Saudi Arabia within the Gulf Co-operation Council region; and appoint a representative in Saudi Arabia in 2011, focusing marketing activities in Riyadh and Jeddah.
- To launch itineraries featuring Hong Kong and the Pearl River Delta, attracting the family segment and young professional expatriates in the Middle East to visit Hong Kong on multi-destination itineraries.
- To participate in the Arabian Travel Market exhibition in Dubai in May 2011, and organise a trade delegation to the Middle East during the year, so as to enhance the knowledge and interest in Hong Kong among the travel trade in the Middle East, as well as to create a business platform for the Hong Kong and Middle Eastern trades to explore co-operation opportunities.
- To engage major airlines and tour operators in tactical co-operative promotions during the two major travel windows of April and October.

Vietnam

- To establish trade networks in two key cities, namely Hanoi and Ho Chi Minh City, so as to enhance the knowledge in Hong Kong's tour products among the travel trade in Vietnam.
- To take part in the International Travel Expo in Ho Chi Minh City with Hong Kong trade partners in September 2011; and to organise a trade delegation to Vietnam in November to create a business platform for the travel trades of Hong Kong and Vietnam.

The Netherlands

- To focus on Amsterdam initially and to establish network with the travel trade through travel missions and participation in Vakantiebeurs, the top trade and consumer travel fair in the country.

The marketing budgets of the HKTB for India, the Middle East, Vietnam and the Netherlands in 2011-12 are as follows:

	2011-12 Proposed Budget (HK\$ million)
India	11.7
Middle East	7.1
Vietnam	3.5
Netherlands	2.8

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)069

Question Serial No.

2742

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is mentioned under Matters Requiring Special Attention in 2011-12 that the Branch will continue with the development of the new cruise terminal at Kai Tak and work closely with the Advisory Committee on Cruise Industry to develop Hong Kong into a leading cruise hub in the region. Please give us a comparison of the estimates of expenditures for the past 3 years (i.e. 2008-09 to 2010-11) (or since those figures were available), the specifics of the work and the breakdown of expenditure for 2011-12.

Asked by : Hon. LAM Tai-fai

Reply :

The Tourism Commission (TC) is responsible for monitoring and coordinating the new cruise terminal project, and developing strategies to enhance Hong Kong's position as a regional cruise hub. The cruise terminal project is being taken forward in full swing. Site formation works and cruise terminal building works started in November 2009 and May 2010 respectively. We expect the cruise terminal building and the first berth will come into operation in mid-2013. In 2011-12, we will appoint the terminal operator through open tender, so as to allow sufficient lead time for the selected operator to accept advance bookings for the terminal before it comes into operation.

With its existing manpower and resources, TC will continue to work closely with the Advisory Committee on Cruise Industry to develop cruise tourism in Hong Kong and the region, foster co-operation with neighbouring Mainland coastal provinces on cruise itinerary development and enhance manpower supply for the cruise market.

The expenditure of the above tasks has been subsumed into the provision for the past 3 years and 2011-12 for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)070

Question Serial No.

2913

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is mentioned under Matters Requiring Special Attention in 2011-12 that existing tourist attractions and facilities will be further enhanced. Please compare the specific measures and expenditure items of 2011-12 with those of the past three years (2008-09 to 2010-11).

Asked by : Hon. LAM Tai-fai

Reply :

In 2011-12, we will take forward further enhancement of existing tourist attractions and facilities, including the Aberdeen Tourism Project, enhancement of the Lei Yue Mun waterfront, enhancement of the footbridges in Tsim Sha Tsui East, and development of a piazza in Tsim Sha Tsui. Details and the estimated expenditure of these projects in 2011-12, and the estimated expenditure in the previous three years are set out below:

(a) Aberdeen Tourism Project

The project scope includes carrying out the improvement works for the promenade on both sides of the Aberdeen Harbour as well as Ap Lei Chau Main Street and adjacent streets, with the theme of a traditional fishermen's village. The project obtained funding approval from the Finance Committee in February this year. We will commence construction within this year for completion in phases between 2012 and 2014. The estimated expenditure in 2011-12 is \$31.3 million. The project was still at the planning stage from 2008-09 to 2010-11, hence there was no expenditure during the period.

(b) Lei Yue Mun Waterfront Enhancement Project

The scope of works includes the construction of a public landing facility, a breakwater, a waterfront promenade and a new viewing terrace, as well as other streetscape improvements along the Lei Yue Mun waterfront. The relevant works departments are working on the detailed design and the required statutory procedures for gazettal of the project works under the Town Planning Ordinance and Foreshore and Seabed (Reclamations) Ordinance. Subject to funding approval by the Finance Committee,

works are expected to commence in 2012 for phased completion from 2013 onwards. The estimated expenditure in 2011-12 is about \$1 million. The project was still at the planning stage from 2008-09 to 2010-11, hence there was no expenditure during the period.

(c) Enhancement of Footbridges in Tsim Sha Tsui East

The project aims to enhance the two existing footbridges across Mody Road and Salisbury Road in Tsim Sha Tsui East including refurbishment of the footbridges, replacement of the existing ramps with lifts, and associated works such as re-paving of footpaths. Works commenced in the third quarter of 2009 for completion by the first quarter of 2012. The estimated total expenditure for the project is \$71.4 million. There was no expenditure in 2008-09, and the actual expenditure in 2009-10 was \$7.784 million. The estimated expenditure in 2010-11 and 2011-12 are \$12.541 million and \$25.635 million respectively.

(d) Development of a Piazza in Tsim Sha Tsui

The project scope includes the construction of an open piazza at the harbour-front site next to the Tsim Sha Tsui Star Ferry Pier, and the construction of an adjacent turnaround which can accommodate a number of bus stops and a taxi stand. The piazza will provide a new public open space for leisure enjoyment by both the locals and visitors and for staging events, whereas the new turnaround will enable the site to retain its function as a sea-land interchange. Works for the proposed turnaround were gazetted in June 2009. Having regard to the views collected during the gazettal period, we have further revised the turnaround scheme, and gazetted the amendments in October 2010. We are following up with the views collected on the revised scheme according to the statutory procedures, and will make further assessment before deciding the next steps and timeframe for the project. The project has been at the planning stage from 2008-09 to 2011-12, hence there was no expenditure during the period.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)071

Question Serial No.

2914

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Does the Administration have any concrete plan to build new tourist attractions? If yes, what are the estimated expenditure and details? If not, will there be any ideas and plans for that purpose in future? What are the estimated expenditure and details?

Asked by : Hon. LAM Tai-fai

Reply :

We will take forward further enhancement of existing tourist attractions and facilities, including the Aberdeen Tourism Project, enhancement of the Lei Yue Mun waterfront, enhancement of the footbridges in Tsim Sha Tsui East, and development of a piazza in Tsim Sha Tsui. Details and the estimated expenditure of these projects are set out below:

(a) Aberdeen Tourism Project

The project scope includes carrying out the improvement works for the promenade on both sides of the Aberdeen Harbour as well as Ap Lei Chau Main Street and adjacent streets, with the theme of a traditional fishermen's village. The project obtained funding approval from the Finance Committee in February this year. We will commence construction within this year for completion in phases between 2012 and 2014. The estimated total expenditure for the project is \$288.1 million and the estimated expenditure in 2011-12 is \$31.3 million.

(b) Lei Yue Mun Waterfront Enhancement Project

The scope of works includes the construction of a public landing facility, a breakwater, a waterfront promenade and a new viewing terrace, as well as other streetscape improvements along the Lei Yue Mun waterfront. The relevant works departments are working on the detailed design and the required statutory procedures for gazettal of the project works under the Town Planning Ordinance and Foreshore and Seabed (Reclamations) Ordinance. Subject to funding approval by the Finance Committee, works are expected to commence in 2012 for phased completion from 2013 onwards.

The estimated expenditure in 2011-12 is about \$1 million.

(c) Enhancement of Footbridges in Tsim Sha Tsui East

The project aims to enhance the two existing footbridges across Mody Road and Salisbury Road in Tsim Sha Tsui East including refurbishment of the footbridges, replacement of the existing ramps with lifts, and associated works such as re-paving of footpaths. Works commenced in the third quarter of 2009 for completion by the first quarter of 2012. The estimated total expenditure for the project is \$71.4 million. The estimated expenditure in 2011-12 is \$25.635 million.

(d) Development of a Piazza in Tsim Sha Tsui

The project scope includes the construction of an open piazza at the harbour-front site next to the Tsim Sha Tsui Star Ferry Pier, and the construction of an adjacent turnaround which can accommodate a number of bus stops and a taxi stand. The piazza will provide a new public open space for leisure enjoyment by both the locals and visitors and for staging events, whereas the new turnaround will enable the site to retain its function as a sea-land interchange. Works for the proposed turnaround were gazetted in June 2009. Having regard to the views collected during the gazettal period, we have further revised the turnaround scheme, and gazetted the amendments in October 2010. We are following up with the views collected on the revised scheme according to the statutory procedures, and will make further assessment before deciding the next steps and timeframe for the project. The project is still at the planning stage, and hence has no estimated expenditure in 2011-12.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.3.2011

The Government has all along maintained close contact with the China National Tourism Administration and other regional tourism authorities on the tourism development and regulation of the two places. Mainland tourism authorities also support our regulatory work, and take action to complement the 10 measures introduced by TIC, including undertaking to assist in the promotion of consumer rights in the Mainland through the distribution of a guide to inbound visitors, and stipulating the content of the contract to be signed between Mainland organising agents and Hong Kong receiving agents.

The recent incident involving Mainland inbound tourists proves that it is necessary for TIC to implement the 10 measures vigorously. The Government will continue to monitor closely the implementation and effectiveness of the new regulatory measures introduced by TIC, and will work with TIC to consider new initiatives to further strengthen regulation.

The expenditure of the above tasks in supporting TIC has been subsumed into the provision for 2011-12 for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)073

Question Serial No.

2916

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the work on attracting and supporting large-scale arts, culture and sports events to be held in Hong Kong through the Mega Events Fund (the Fund), please advise on the actual operations of the Fund and the estimated expenditure.

Asked by : Hon. LAM Tai-fai

Reply :

The Mega Events Fund (MEF) was established in May 2009 following funding approval of the Finance Committee of the Legislative Council. Since its inception, four rounds of applications were completed and a total sum of \$53 million has been granted to support 14 mega events. The information submitted by the applicants reveals that the MEF supported events are expected to attract over 600 000 participants, including 135 000 visitors, and create around 6 900 jobs. The events have added colour and vibrancy to Hong Kong's city life and boosted Hong Kong's status as an events capital of Asia. They can attract more visitors to Hong Kong specifically for the events or increase their length of stay. With MEF funding, the organisers can expand the scale of the events, enhance their publicity work outside Hong Kong and raise the events' international profile. The Hong Kong Tourism Board (HKTB) can also leverage on the opportunities to include these events into its promotional plan and adopt different advertising channels (such as newsletters/internet portals coverage, trade notices and advertising boards at different tourist spots) to maximize the publicity effect. Through co-operation with trade partners in neighbouring tourist destinations, the HKTB has also developed special tour packages to attract visitors to Hong Kong for these events.

Amongst the MEF supported events, 10 have been completed successfully. Another four events will be held in 2011-12, involving a funding of \$23 million. Meanwhile, we shall soon commence the fifth round of MEF applications and we expect that funding support for more events will be approved. The number of mega events to be supported, as well as their nature and funding amount, will depend on the number of applications received and how many of them can successfully go through the assessment procedures.

Details of the aforementioned four MEF supported events to be held in 2011-12 and their amount of funding are provided in the table below.

Project title	Nature	Time	Upper limit of funding
Hong Kong Dragon Boat Carnival 2011	Traditional cultural activity with strong sports element	17-19 June 2011	\$4 million
Hong Kong International Jazz Festival 2011	Large-scale music festival	25 September – 2 October 2011 (Tentative)	\$3 million
UBS Hong Kong Open Championship 2011	International golf tournament	1- 4 December 2011	\$8 million
Hong Kong Women's Open	International golf tournament	March 2012 (Tentative)	\$8 million

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)074

Question Serial No.

3547

Head : Head 152 - Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What is the impact of the Economic Co-operation Framework Agreement (ECFA) signed between the Mainland and Taiwan on the re-export trade, investment and tourism of Hong Kong? How will the Administration strengthen the co-operation between Hong Kong and Taiwan on trade, investment and tourism matters? What is the expenditure involved?

Asked by : Hon. LAU Kin-ye, Miriam

Reply :

Cross-Strait economic and trade relations have entered into a new stage of development with the signing of the "Economic Co-operation Framework Agreement" (ECFA). Not only will the implementation of ECFA enhance the interaction between the two places, the overall economic development of the region would also stand to benefit. In the mid to long-term, with an increase in trade in the region, there will be new development opportunities for Hong Kong. Our intrinsic strengths (such as our efficient airport and ports, well-developed financial and professional services, comprehensive support network, robust legal system, etc.) will enable Hong Kong to continue to play an active role (particularly in the services sector) in promoting sustainable economic development in the region.

Following the establishment of the Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council (ECCPC), the Hong Kong-Taiwan Business Co-operation Committee (BCC) and the Hong Kong-Taiwan Cultural Co-operation Committee (CCC) last year, the Financial Secretary, in his capacity as Honorary Chairperson of ECCPC, led a delegation to visit Taiwan in August 2010, comprising members of the ECCPC, BCC, CCC as well as representatives of the business sector. This has given further impetus to the co-operation between Hong Kong and Taiwan in various areas.

The HKSAR Government will continue to actively promote co-operation with Taiwan in the areas of trade, investment and tourism, with the work and estimated expenditure as follows –

- On trade promotion, the Taiwan Office of the Hong Kong Trade Development Council (HKTDC) will continue to promote Hong Kong's service industry, in particular the emerging professional services, and encourage co-operation between Taiwan brands and Hong Kong enterprises to jointly develop the Mainland and overseas markets by leveraging on Hong Kong's service industry. In 2011-12, the HKTDC will focus on promoting Hong Kong as the trading centre between the Mainland and Taiwan on technology as well as related services such as brand management, digital entertainment, licensing and design services, etc. The estimated budget of the HKTDC for trade promotion in Taiwan in 2011-12 is about \$5.4 million.
- On investment promotion, Invest Hong Kong (InvestHK) will continue to step up its promotional efforts in Taiwan, which include organising various programmes to encourage Taiwan companies to set up or expand their business in Hong Kong, and providing them with the necessary support. InvestHK will also conduct investment promotion visits to different cities in Taiwan, including Taipei, Taichung and Kaohsiung to attract more Taiwan companies to open up businesses in Hong Kong, particularly in the financial services, innovation and technology, and creative industries sectors. The estimated budget of InvestHK for investment promotion in Taiwan in 2011-12 is about \$1 million.
- On tourism, the Hong Kong Tourism Board (HKTB) has stepped up its promotion work in Taiwan, co-operating with Taiwan trade organisations to attract more overnight vacation visitors to Hong Kong and develop new source markets outside Taipei (such as Taichung and Kaohsiung). In 2011-12, the HKTB, together with Taiwan media and trade, will jointly promote travelling to Hong Kong through organising various themes-based or large-scale events. Events include, for example, inviting celebrities and consumers from Taiwan to participate in shopping activities in Hong Kong to showcase Hong Kong's trend-setting image; or partnering with attractions and theme parks in Hong Kong to promote "Hong Kong Halloween Treats" itineraries in collaboration with the trade in Taichung and Kaohsiung. The HKTB has applied to establish an official office in Taipei, which would further strengthen its promotion work in Taiwan. The estimated marketing budget of the HKTB for Taiwan in 2011-12 is about \$17.7 million.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)075

Question Serial No.

0171

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please advise the progress and legislative timetable of the draft legislation on tackling unfair trade practices and enhancing protection for consumer interests as well as the manpower and expenditure involved.

Asked by : Hon. LEE Wai-king, Starry

Reply :

The Government is committed to tackling unfair trade practices with a view to protecting consumer interests and ensuring a level playing field for business. Following the public consultation on a package of legislative proposals last year, we issued a consultation report and briefed the Panel on Economic Development of this Council on the consultation outcome and way forward in January this year.

Overall, our package of proposals receives community support. We are now working on the drafting of legislative amendments. We hope to introduce the amendments into this Council in the current legislative session.

As regards the manpower and expenditure in relation to the drafting of legislative amendments, the head-count and salaries of officers involved have been subsumed into the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify them separately.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)076

Question Serial No.

0172

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please advise the drafting progress of the amendments to the Pyramid Selling Prohibition Ordinance, the timetable for their introduction to the Legislative Council, as well as the manpower involved and financial arrangements.

Asked by : Hon. LEE Wai-king, Starry

Reply :

The public consultation on legislative proposals to eradicate pyramid schemes was completed in end January this year. The great majority of respondents support our legislative proposals. We will brief the Economic Development Panel on the consultation outcome at its meeting on 28 March 2011. We are now preparing legislative amendments and hope to introduce them into this Council in the current legislative session.

As regards manpower and expenditure, the head-count and salaries of officers involved in the exercise have been subsumed into the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify them separately.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)077

Question Serial No.

0173

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

How much resources were allocated by the Government annually and in total to support the Consumer Legal Action Fund in the last five financial years (i.e. 2006-07 to 2010-11)? How much resources will be allocated in the financial year of 2011-12?

Asked by : Hon. LEE Wai-king, Starry

Reply :

The amount of additional resources provided by the Government to the Consumer Legal Action Fund (CLAF) between financial years 2006-07 and 2010-11 is set out in the following table. We also set out the year-end balance for reference.

Financial Year	Additional resource provided by the Government to CLAF	Year-end balance of CLAF
2006-07	-	around \$15.5 million
2007-08	-	around \$16.1 million
2008-09	-	around \$14.4 million
2009-10	-	around \$12.1 million
2010-11	\$10 million	^around \$21.5 million

^as at 28 February 2011

As indicated in the above table, the Government injected \$10 million to the CLAF in 2010-11, so that legal assistance will continue to be provided to suitable cases.

To ensure that it has sufficient resources to assist consumers with meritorious claims, the Government will closely liaise with the trustee of the CLAF, i.e. the Consumer Council, and monitor the financial position of the Fund.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)078

Question Serial No.

0174

Head : Head 152 - Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Government will promote co-operation between Hong Kong and Taiwan on trade, investment and tourism matters. In this connection, please advise on the specific plans of the CEDB to promote the economic co-operation between Hong Kong and Taiwan. What resources will be involved in the financial year 2011-12?

Asked by : Hon. LEE Wai-King, Starry

Reply :

Following the establishment of the Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council (ECCPC), the Hong Kong-Taiwan Business Co-operation Committee (BCC) and the Hong Kong-Taiwan Cultural Co-operation Committee (CCC) last year, the Financial Secretary, in his capacity as Honorary Chairperson of ECCPC, led a delegation to visit Taiwan in August 2010, comprising members of the ECCPC, BCC, CCC as well as representatives of the business sector. This has given further impetus to the co-operation between Hong Kong and Taiwan in various areas.

The HKSAR Government will continue to actively promote co-operation with Taiwan in the areas of trade, investment and tourism, with the work and estimated expenditure as follows –

- On trade promotion, the Taiwan Office of the Hong Kong Trade Development Council (HKTDC) will continue to promote Hong Kong's service industry, in particular the emerging professional services, and encourage co-operation between Taiwan brands and Hong Kong enterprises to jointly develop the Mainland and overseas markets by leveraging on Hong Kong's service industry. In 2011-12, the HKTDC will focus on promoting Hong Kong as the trading centre between the Mainland and Taiwan on technology as well as related services such as brand management, digital entertainment, licensing and design services, etc. The estimated budget of the HKTDC for trade promotion in Taiwan in 2011-12 is about \$5.4 million.

- On investment promotion, Invest Hong Kong (InvestHK) will continue to step up its promotional efforts in Taiwan, which include organising various programmes to encourage Taiwan companies to set up or expand their business in Hong Kong, and providing them with the necessary support. InvestHK will also conduct investment promotion visits to different cities in Taiwan, including Taipei, Taichung and Kaohsiung to attract more Taiwan companies to open up businesses in Hong Kong, particularly in the financial services, innovation and technology, and creative industries sectors. The estimated budget of InvestHK for investment promotion in Taiwan in 2011-12 is about \$1 million.
- On tourism, the Hong Kong Tourism Board (HKTB) has stepped up its promotion work in Taiwan, co-operating with Taiwan trade organisations to attract more overnight vacation visitors to Hong Kong and develop new source markets outside Taipei (such as Taichung and Kaohsiung). In 2011-12, the HKTB, together with Taiwan media and trade, will jointly promote travelling to Hong Kong through organising various themes-based or large-scale events. Events include, for example, inviting celebrities and consumers from Taiwan to participate in shopping activities in Hong Kong to showcase Hong Kong's trend-setting image; or partnering with attractions and theme parks in Hong Kong to promote "Hong Kong Halloween Treats" itineraries in collaboration with the trade in Taichung and Kaohsiung. The HKTB has applied to establish an official office in Taipei, which would further strengthen its promotion work in Taiwan. The estimated marketing budget of the HKTB for Taiwan in 2011-12 is about \$17.7 million.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)079

Question Serial No.

0175

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please advise on the details of expenditure, with a breakdown by key markets, on promotion of inbound tourism to Hong Kong in overseas markets by the Hong Kong Tourism Board for 2010-11 (Revised Estimate) and 2011-12 (Estimate).

Asked by : Hon. LEE Wai-king, Starry

Reply :

The marketing budgets of the Hong Kong Tourism Board (HKTB) for different target source markets in 2010-11 and 2011-12 are set out below:

	2011-12 Proposed Budget (HK\$ million)	2010-11 Revised Estimates (HK\$ million)
<i>Growth Markets – sub total</i>	97.8	102.9
The Mainland	55.3 ^{Note}	59.1
Taiwan	17.7	18.9
Australia	10.8	10.7
South Korea	10.0	10.0
Philippines	4.0	4.2
<i>Emerging Markets – sub total</i>	33.1	20.6
India	11.7	9.5
Middle East	7.1	4.3
Russia	8.0	6.8
Vietnam	3.5	-
Netherlands	2.8	-

	2011-12 Proposed Budget (HK\$ million)	2010-11 Revised Estimates (HK\$ million)
<i>Established Markets – sub total</i>	47.3	46.1
United States	17.2	16.1
Japan	14.5	13.8
United Kingdom	7.5	8.0
Canada	4.5	4.6
Singapore	3.6	3.6
<i>Secondary Markets – sub total</i>	11.9	11.6
Malaysia	2.6	2.5
Germany	4.1	3.9
Thailand	1.6	1.6
France	3.0	3.0
Indonesia	0.6	0.6
<i>Non-key markets & exchange reserve</i>	2.0	3.0
Total marketing budgets for source markets	192.1	184.2

Note: The proposed budget for the Mainland in 2011-12 is less than the revised estimate in 2010-11, as the latter included \$4 million of additional funding for promotion of Hong Kong during the Shanghai Expo.

The HKTb will closely monitor the latest developments in different source markets, and where necessary, adjust its marketing strategies and re-deploy resources to ensure their proper and most effective use.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)080

Question Serial No.

0176

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Consumer Council states that it will implement the recommendations arising from a review of the operation of the Consumer Legal Action Fund in 2011-12. What are the details of the implementation plan? How much resources will be involved?

Asked by : Hon. LEE Wai-king, Starry

Reply :

The Consumer Council is the trustee of the Consumer Legal Action Fund (CLAF). In December 2010, the Council completed a review of the operation of the CLAF. The review reveals that the operation of the CLAF is generally effective. Only certain internal procedures for handling applications should be improved. Besides, in line with the Civil Justice Reform spearheaded by the Judiciary, the Council recommends that the scope of assistance under the CLAF be extended to cover mediation proceedings. The recommendations have been implemented. Resources required for implementing the recommendations would be absorbed by the CLAF.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)081

Question Serial No.

0386

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the expenditure and manpower involved in promoting cruise tourism?

Asked by : Hon. LEE Wai-king, Starry

Reply :

The estimated budget of the Hong Kong Tourism Board (HKTB) on promoting cruise tourism in 2011-12 is \$5.3 million. Its key tasks are to drive consumer demand in target visitor source markets in partnership with cruise operators and travel trade, promote cruise as a form of incentive travel, participate in major cruise industry conferences to publicize the new cruise terminal and Hong Kong's advantages as Asia's cruise hub. The HKTB's cruise marketing team in the Hong Kong head office will develop the promotional strategies and activities, and work with its worldwide or representative offices in target visitor source markets to carry out the activities.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)082

Question Serial No.

0471

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please advise on the estimated expenditure and manpower involved in 2011-12 in attracting more external direct investment to Hong Kong. Is there any major promotion activity? What is the expenditure involved?

Asked by : Hon. LEE Wai-king, Starry

Reply :

In 2011-12, a provision of HK\$110.6 million has been earmarked under Head 79 – Invest Hong Kong for Invest Hong Kong (InvestHK) to attract and assist overseas, Mainland and Taiwan companies to set up or expand their operations in Hong Kong. Provision has also been earmarked for the investment promotion units (IPUs) in overseas Hong Kong Economic and Trade Offices (ETOs) under Head 96 (Overseas ETOs) and for IPUs in the Mainland ETOs and the Beijing Office under Head 144 (Mainland ETOs). This involves a total of 135 staff.

To raise the awareness and profile of Hong Kong in overseas markets, InvestHK will continue to organise events such as receptions for major foreign communities and sector-focused receptions, and to sponsor or participate in major events that take place in Hong Kong and in major overseas markets, such as Hong Kong Sevens, Asia Hedge Forum, Super Return Asia, Mobile Asia Congress and CASBAA Convention. These events provide opportunities for us to network with participants who are potential or existing investors, generate project leads and create awareness of the advantages of investing in Hong Kong and the free services to be provided by InvestHK to prospective investors.

Since September 2002, InvestHK has been conducting a series of joint investment promotion seminars in key overseas markets in collaboration with Mainland provinces and cities to promote the combined advantages offered by Hong Kong and the Mainland, in particular the Pearl River Delta. In 2011-12, InvestHK plans to organise with Mainland provinces and cities around five joint overseas promotion seminars. Amongst these, we will partner with Zhuhai to organise promotion seminars in Bogota and Sao Paulo, with Shenzhen in Copenhagen and Munich, and with Guangdong in Poland.

In 2011-12, InvestHK will also organise seminars and sector-focused workshops in the high-growth Mainland cities like Suzhou, Tianjin, Guangzhou, Ningbo, Changsha and the Pearl River Delta region to attract more companies from the Mainland. We will also organise promotion seminars in Taiwan to reach out to a wider spectrum of the Taiwan business community.

The estimated expenditure for these marketing activities is \$9.4 million.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)083

Question Serial No.

0478

Head : Head 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

During 2011-12, the Bureau will begin preparatory work on the establishment of a Competition Commission and a Competition Tribunal. What are the details, timetable and breakdown of the expenses involved?

Asked by : Hon. LEE Wai-king, Starry

Reply :

In 2011-12, we have earmarked \$45.23 million under Programme (4) for the establishment and initial operation of the Competition Commission (Commission) should the Competition Bill (the Bill) be enacted within 2011-12. The provision is mainly for the recruitment and employment of the Commission's staff, preparation of office accommodation for the Commission, and the research and promotional work by the Commission. The actual timetable and expenditure on different items will depend on the legislative progress of the Bill.

The provision for the Competition Tribunal is reflected in Head 80 – Judiciary.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)084

Question Serial No.

1026

Head : Head 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

During 2011-12, the Bureau will begin preparatory work on the establishment of a Competition Commission and a Competition Tribunal. What are the estimated expenditures required for establishing the Commission and the Tribunal and their annual recurrent expenditures respectively?

Asked by : Hon. LEE Wai-king, Starry

Reply :

In 2011-12, we have earmarked \$45.23 million under Programme (4) for the establishment and initial operation of the Competition Commission (Commission) should the Competition Bill (the Bill) be enacted within 2011-12. The actual expenditure will depend on the legislative progress of the Bill. Based on overseas experience and local circumstances, the rough full-year cost for operating the Commission at the initial stage is estimated to be \$67 million.

The provisions for the Competition Tribunal (Tribunal) for 2011-12 as reflected in Head 80 – Judiciary are around \$10 million. The actual expenditure will depend on the legislative progress of the Bill. It is estimated that the annual recurrent expenditures for the Tribunal at its initial stage are around \$15 million.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)085

Question Serial No.

3889

Head : Head 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What is the expenditure and manpower involved in the preparatory work on the establishment of a Competition Commission and a Competition Tribunal? How many resources will be involved in their future operations?

Asked by : Hon. LEE Wai-king, Starry

Reply :

In 2011-12, we have earmarked \$45.23 million under Programme (4) for the establishment and initial operation of the Competition Commission (Commission) should the Competition Bill (the Bill) be enacted within 2011-12. The actual expenditure will depend on the legislative progress of the Bill. The above preparatory work will be carried out through existing staff establishment under Head 152 and cannot be separately itemised. Based on overseas experience and local circumstances, the rough full-year cost for operating the Commission at the initial stage is estimated to be \$67 million.

The provisions for the Competition Tribunal (Tribunal) for 2011-12 as reflected in Head 80 – Judiciary are around \$10 million. The actual expenditure will depend on the legislative progress of the Bill. It is estimated that the annual recurrent expenditure for the Tribunal at its initial stage is around \$15 million.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)086

Question Serial No.

0152

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The 2011-12 estimate for the Hong Kong Trade Development Council is 378.3 million, which is an increase of only 1% over the original estimate of 2010-11. However, higher indicators are set for a number of performance measures in respect of promoting Hong Kong's external trade, including the numbers of trade and services promotion events, companies participating and overseas buyers attending local fairs. Would the Administration advise :

- (a) how the relevant financial provisions will be used to meet the performance targets?
- (b) the numbers of printed and electronic copies to be issued and the funding required regarding the plan of issuing 2 million copies of trade publications for worldwide circulation in 2011-12?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

- (a) The Hong Kong Trade Development Council (HKTDC)'s income includes subvention from the Government, operational income and investment income. In 2011-12, the Government subvention to HKTDC will increase by about \$3.8 million to \$378.3 million. As there have been surpluses in HKTDC's income and expenditure account in recent years, we consider that HKTDC will have adequate resources to carry out its promotion events.

As always, HKTDC will make the best of its own resources and the subvention from the Government to provide better service for Hong Kong's small and medium enterprises and to promote export trade business.

- (b) As for the production of 2 million copies of trade publications for worldwide circulation in 2011-12, the numbers of printed and electronic copies to be issued and the funding required are as follows:

2011-12	Printed copy	Electronic copy (online and portable device versions)
Estimated circulation / downloaded copies	1 600 000	400 000
Estimated expenditure*	about \$100.5 million	

* No separate breakdown is available. Only the total expenditure for producing all the trade publications is provided.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)087

Question Serial No.

0153

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The financial provision for the Hong Kong Trade Development Council for 2011-12 is estimated to be \$378.3 million, representing an increase of 1% over the revised provision in 2010-11. Please explain how the provision will be used and advise whether new initiatives will be introduced to :

- (a) showcase Hong Kong's unique strengths as a bridge between the West and the East;
- (b) leverage on opportunities for Hong Kong companies in the Mainland consumer market;
- (c) help Hong Kong service companies target at Mainland's urbanisation process;
- (d) capitalise on Mainland enterprises' outward investment needs;
- (e) maximise opportunities for Hong Kong companies in robust emerging economies;
- (f) expand our services promotions in Taiwan to leverage on improved cross-strait relations;
- (g) help Hong Kong companies leverage on the opportunities in the silver market; and
- (h) focus on the potential of green manufacturing and technology.

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

The Hong Kong Trade Development Council (HKTDC) will carry out the following measures in relation to the items (a) to (h) above:

- (a) Showcase Hong Kong's unique strengths as a bridge between the West and the East

The shift in dynamics of the global economy to the East has resulted in many overseas corporations and brands becoming interested in expanding businesses in the Asian market and using Hong Kong as a business platform to penetrate the Mainland market. HKTDC's strategy is to promote Hong Kong's unique strength as a bridge between the East and West, as well as to fortify its leadership in global sourcing and business supporting services. Major activities include:

- under the Pacific Bridge Initiative, HKTDC and the United States Foreign Commercial Service will jointly organise road shows and promotional activities, so as to help American companies understand the advantages of utilising Hong Kong as a business platform and expand their business in the Asian market;
- organising a series of mega promotions coinciding with HKTDC London Dinner in September 2011, with a view to raising the profile of Hong Kong in Europe and create opportunities for Hong Kong service providers to connect with potential clients in Europe; and
- organising large-scale road shows in Italy, France and Northern Europe, etc. to enhance Hong Kong's image as an ideal business platform.

(b) Leverage on opportunities for Hong Kong companies in the Mainland consumer market

HKTDC will help Hong Kong companies expand their networks, establish sales channel and seize the business opportunities in the Mainland by nurturing brands and promote Hong Kong products. Major activities include:

- organising “Style Hong Kong” shows in a number of Mainland cities (including Beijing, Chengdu and Harbin), which aim to promote Hong Kong designs and branded products directly to Mainland consumers. The concurrent business matching sessions also enable Hong Kong companies to meet potential business partners and establish sales network;
- promoting and nurturing the branding of stylish Hong Kong products among Mainland consumers through HKTDC's Design Gallery in Beijing and its complementary online shop;
- organising exhibitions of specific products and short-term promotions in suitable departments stores in selected Mainland cities to promote Hong Kong brands; and
- developing the “Hong Kong Consumer Products Expo” in Guangzhou into an annual anchor event.

(c) Help Hong Kong service companies target at Mainland's urbanisation process

HKTDC will help Hong Kong service providers better understand the market, promote the strength of industries as well as establish networks. Major activities include:

- organising large-scale promotional event in first-tier Mainland cities. For example, an exposition entitled “SmartHK” will be held in Guangzhou in May 2011 to promote Hong Kong services industries;
- organising a series of seminars in the Mainland to introduce various services industries, such as financial, logistics, professional services and creative industries; and
- organising trade missions to second-tier mainland cities for specific industries.

(d) Capitalise on Mainland enterprises' outward investment needs

HKTDC will help Hong Kong service providers, including bankers, accountants and lawyers, etc. to connect with potential clients in the Mainland and overseas. Major activities include:

- enhancing the content of HKTDC trade publications, with emphasis on Hong Kong's capabilities in facilitating cross border investments as well as mergers and acquisitions;
- organising trade missions for targeted industries to overseas markets, so as to facilitate communication and promote co-operation among overseas sellers, Hong Kong service providers and Mainland investors; and
- organising seminars in the Mainland to promote the expertise of Hong Kong in areas like cross border mergers and acquisitions.

(e) Maximise opportunities for Hong Kong companies in robust emerging economies

As for promotion in emerging markets, HKTDC has identified Indonesia, Vietnam, India, Turkey, Russia, Poland, Latin America and the Middle East as priority markets. HKTDC helps Hong Kong companies gain better understanding of these markets, build networks as well as promote their products and brands there. Major activities include:

- organising visits or trade missions;
- setting up Hong Kong Pavilions or showcasing Hong Kong products at key trade fairs;
- providing comprehensive business intelligence about these emerging markets; and
- organising "Lifestyle Expo" in Poland and Indonesia to promote Hong Kong brands and products.

(f) Expand our services promotions in Taiwan to leverage on improved cross-strait relations

HKTDC will focus on promoting Hong Kong as the technology market place between the Mainland and Taiwan as well as related services such as brand management, digital entertainment, licensing and design services, etc. Major activities include:

- encouraging more Taiwanese high-tech companies to participate in the "Inno Design Tech Expo" in Hong Kong, and build alliances with Hong Kong companies related to design, marketing and intellectual property; and
- organising tailor-made business matching activities for targeted industries, such as financial services, professional services, logistics, information technology and communication industries, in order to help Hong Kong companies develop the Taiwanese market and promote Hong Kong as the business platform for Taiwanese companies.

(g) Help Hong Kong companies leverage on the opportunities in the silver market

Senior people possess strong purchasing power. This will bring new business opportunities for manufacturers of elderly healthcare and household products. Major activities include:

- introducing silver market zones at targeted HKTDC's trade fairs, such as "Elderly Eyeware Zone" at the "Hong Kong Optical Fair";
- conducting studies on the silver market and publishing relevant research reports;
- organising trade missions and workshops to help industry players better understand the silver markets in Japan, Europe and the US; and
- setting up Hong Kong Pavilion at major overseas trade fairs (e.g., medical fair), to help Hong Kong companies develop business in the silver market.

(h) Focus on the potential of green manufacturing and technology

HKTDC will help Hong Kong companies tap the new market by promoting green manufacturing technologies and image of green products. Major activities include:

- promoting Hong Kong's strength in green manufacturing by featuring award-winning items in major international trade fairs;
- launching the "Green Gifts Zone" at the "Hong Kong Gifts and Premium Fair";
- continuing to co-organise the Eco Expo Asia with the Environment Bureau, so as to provide a platform for suppliers of green products and services to exchange market intelligence and develop new business in this growing market;
- organising visits and trade missions related to technology transfer to help Hong Kong companies explore new business opportunities and acquire new technology and information; and
- working with the Hong Kong Productivity Council and the Hong Kong Science and Technology Parks to organise promotional activities.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)088

Question Serial No.

0154

Head : Head 152 - Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Under this Programme, the financial provision and establishment for 2011-12 will be "\$7.1 million (4.9%) higher than the revised estimate for 2010-11. This is mainly due to increased salary provision arising from staff changes and increased cash flow requirement for non-recurrent items." Could the Administration state how such staff changes will help the Commerce, Industry and Tourism Branch in:

- (a) continuing to oversee the effective implementation and further development of Closer Economic Partnership Arrangement (CEPA);
- (b) continuing to assist the trade to adjust to changes in Mainland's policy on processing trade through industrial restructuring and upgrading, relocating their operations and opening up new markets; and
- (c) continuing to monitor and review the operation of the Small and Medium Enterprises (SME) Funding Schemes?

Will the Administration implement new measures in respect of the above three matters to assist the development of SMEs?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

Under this programme, the financial provision and establishment for 2011-12 will be increased by \$7.1 million (4.9%). The increase in financial provision does not affect the following three areas of work. We will continue to carry out the work with existing manpower -

- (a) On the “Mainland and Hong Kong Closer Economic Partnership Arrangement” (CEPA), we work closely with the Mainland authorities at central, provincial and municipal levels, to address and follow up on problems encountered by Hong Kong enterprises (including the small and medium enterprises and professionals) in using CEPA preferential treatments in the Mainland. Apart from providing free information and advisory services on CEPA, the Trade and Industry Department (TID) has established a notification mechanism with the Mainland authorities on the promulgation and updating of relevant regulations and implementation details, and disseminates relevant information on its CEPA website for reference by the trade. Hong Kong enterprises may also approach the Hong Kong Trade Development Council (HKTDC) China Business Advisory Unit, which comprises representatives from the Ministry of Commerce, Guangdong Province, Shanghai Municipality and Fujian Province, for advice on the regulatory regime and application details of the relevant service industries in the Mainland. If Hong Kong enterprises encounter difficulties in using CEPA measures, they may contact the TID, offices of the HKSAR Government in the Mainland, or the relevant policy bureaux and departments. We will render assistance as appropriate having regard to the nature of the problems involved.
- (b) On giving encouragement to and assisting Hong Kong enterprises in upgrading and restructuring, relocating their operations, and opening up new markets so as to adjust to changes in the Mainland’s policy on processing trade, we will continue with the following work:
- maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand their concerns and views; and maintaining close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to convey to and discuss with them the trade’s views and proposed measures;
 - disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities like symposiums and seminars through the TID and Mainland Offices to enhance the trade’s understanding of Mainland’s new policies, legislation and the business environment. TID’s website includes a dedicated page on business information on Mainland China, with hyperlinks to the economic and trade websites of about 190 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to trade-related information on the Mainland;
 - organising promotional activities and trade fairs through the HKTDC, and organising delegations to visit the Mainland with a view to enhancing the trade’s understanding of Mainland policies and market development;
 - providing Hong Kong enterprises with support services on technological upgrading, management improvement, branding and market development, etc., and also Mainland market information through the HKTDC and the Hong Kong Productivity Council; and
 - with regard to financial support, assisting small and medium enterprises (SMEs) through the “SME Funding Schemes” in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, restructuring and business relocation.

- (c) On support to SMEs, we intend to increase the total guarantee commitment under the SME Loan Guarantee Scheme substantially from \$20 billion to \$30 billion. In addition, we also plan to inject \$1 billion to the SME Export Marketing Fund and SME Development Fund, with a view to providing continuous support to SMEs in market promotion and enhancing their competitiveness. The Government closely monitors and reviews from time to time the operation of various funding and loan schemes for SMEs. We take into account all relevant factors, including the market situation and the needs of the trade, and make timely adjustments so that appropriate assistance can be provided to the trade.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)089

Question Serial No.

0155

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Under this programme, the financial provision for 2011-12 is \$514.5 million, 2.7% higher than the revised estimate for 2010-11. This is mainly due to the provision required for expanding marketing efforts in emerging markets. Please provide details on :

- (a) the provision earmarked for expanding in emerging markets, including stepping up penetration into two new cities (Chennai and Bengaluru) in India and Saudi Arabia in the Middle East and developing high potential new source markets such as Vietnam and the Netherlands; and
- (b) the revised and current estimate of visitor arrivals from the five cities/countries, namely the two above-mentioned cities in India, Saudi Arabia, Vietnam and the Netherlands, and the expenditure per capita overnight visitor in 2010-11 and the coming year (2011-12).

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

- (a) The proposed marketing budget of the Hong Kong Tourism Board (HKTB) in 2011-12 for the emerging markets, including India, the Middle East, Russia, Vietnam and the Netherlands, amounts to \$33.1 million. The breakdown is as follows:

	2011-12 Proposed Marketing Budget (\$ million) ^{Note (1)}
India	11.7
Middle East	7.1
Russia	8.0
Vietnam	3.5
Netherlands	2.8
Total	33.1

Note (1): The promotional activities by HKTB in the emerging markets are nationwide. As such, when mapping out the proposed budget, consideration is given to the budgetary requirements of the market as a whole rather than individual cities.

- (b) The visitor arrivals and overnight visitor per capita spending for each of the above-mentioned emerging markets in 2010 and the estimates for 2011 are as follows:

	2010 Visitor Arrivals (‘000)	2011 Projected Visitor Arrivals (‘000)
India	531	641
Bengaluru	56	68
Chennai	32	39
Middle East	212	241
Saudi Arabia	28	32
Russia	87	115
Vietnam	102	124
Netherlands	107	115
Total	1 039	1 236

	2010 Overnight Visitor Per Capita Spending (HK\$) ^{Notes (2) & (3)}	2011 Projected Overnight Visitor Per Capita Spending (HK\$)
India	4,594	4,801
Middle East	7,000	7,455
Russia	10,655	11,667
Netherlands	4,997	5,072

Note (2): These are provisional estimated figures as at January 2011. Under the existing visitor surveys of HKTB, the overnight visitor per capita spending is compiled by visitor source markets rather than individual cities.

Note (3): HKTB only started to conduct separate tracking of per capita spending of the Vietnam market in January 2011. As such, there is no related data in the past or projected figure for 2011.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)090

Question Serial No.

1978

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

How many cases assistance under the Consumer Legal Action Fund was granted in 2010-11 to enable consumers to seek redress? How many of these cases were successful and how much legal costs was borne by the Fund?

Asked by : Hon. LEUNG Kwok-hung

Reply :

During 2010-11 (up to 28 February 2011), assistance under the Consumer Legal Action Fund was granted to two new cases. These two cases are underway. Separately, there are seven cases carried forward from the preceding financial year. Of these cases, two are underway; the proceedings of four cases were stayed in view of an ongoing relevant case at a higher court; and one was settled out-of-court with compensation awarded to the assisted consumer. The amount of legal costs to be borne by the Fund in respect of the settled case is subject to confirmation, as the legal representatives for the parties are negotiating over the issue of costs.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)091

Question Serial No.

1979

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What was the amount of expenditure on promoting wine-related businesses incurred by the Government in 2010-11?

Asked by : Hon. LEUNG Kwok-hung

Reply :

To help the industry tap the business opportunities arising from the growing demand for wine across Asia (especially the Mainland), the Government exempted the wine duty in February 2008 and had since rolled out a number of supportive measures. The measures include trade and investment promotion, facilitating the movement of wine imports into the Mainland, introduction of a certification scheme for wine storage facilities, manpower training and education, combating counterfeits, and collaboration with trading partners in promoting wine-related businesses.

In 2010-11, we coped with the added workload arising from the implementation of the above measures through re-deployment of existing manpower resources. Other than that, the main expenses went to two key wine-related promotion events. They were the second Hong Kong Wine and Dine Festival organized by the Hong Kong Tourism Board in late October 2010 and the third Hong Kong International Wine and Spirits Fair staged by the Hong Kong Trade Development Council in early November 2010. The costs were recovered through charging of fees, commercial sponsorship and/or government subvention.

Signature

Name in block letters

Post Title

Date

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)092

Question Serial No.

1095

Head : 152 Government Secretariat:
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Subhead (No. & title) :

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

- (a) In the light of the impending implementation of the statutory minimum wage, has the Administration compiled any statistics on the number of small and medium enterprises (SMEs) in Hong Kong that are likely to close down due to rising manpower costs? If yes, please provide a breakdown of the figures by industry in table form.
- (b) What support measures will the Administration adopt to help SMEs in Hong Kong comply with the requirement and raise the wages of all their staff so that no SMEs will close down due to a surge in business costs?

Asked by : Hon. LEUNG Mei-fun, Priscilla

Reply :

The Provisional Minimum Wage Commission estimated that on the whole, most business sectors should be able to adopt measures to absorb or offset the additional costs arising from the implementation of the initial statutory minimum wage rate of \$28.

This Bureau will continue to provide financial support to enterprises through the SME Funding Schemes administered by the Trade and Industry Department.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

The Tourism Commission has no present plans to carry out consultancy studies in 2011-12.

Signature	_____
Name in block letters	_____ Andrew HY WONG _____
Post Title	_____ Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) _____
Date	_____ 16.3.2011 _____

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)094

Question Serial No.

0974

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please advise the total value of all contracts entered into with outside parties by the Hong Kong Tourism Board during 2010-11 for consultancy studies related to travel and tourism, and the subject matter covered by each of the consultancy studies. Please also advise the total value of such consultancy contracts budgeted for 2011-12, as well as the projected areas of study.

Asked by : Hon. LI Kwok-po, David

Reply :

According to the Hong Kong Tourism Board (HKTB), it did not enter into any consultancy contracts related to travel and tourism with outside parties in 2010-11. Nor does it have plans to do so in 2011-12. ^(Note)

(Note : HKTB defines consultancy studies as engaging professionals for research, expert opinions and recommendations on a specific subject matter. Regular on-going consumer research or survey programmes, such as the “departing visitor surveys” conducted by HKTB through outsourcing to track and understand visitors’ behaviour, satisfaction, travel and spending patterns, as well as other outsourced consumer/trade studies on trends of individual markets, are not considered as consultancy studies.)

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)095

Question Serial No.

2874

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is noted that the financial provision has climbed from \$9.8 million in 2009-10, to \$20.1 million in 2010-11, and that the provision will further triple to \$59.7 million in 2011-12. Please advise the reason for the sharp increase.

Asked by : Hon. LI Kwok-po, David

Reply :

The revised estimate for 2010-11 (\$20.1 million) is \$10.3 million higher than the actual expenditure in 2009-10 (\$9.8 million). This is mainly due to an injection of \$10.0 million in 2010-11 into the Consumer Legal Action Fund (CLAF). The provision for 2011-12 (\$59.7 million) which is \$39.6 million higher than the revised estimate for 2010-11 is mainly due to the provision for the establishment and operation of the Competition Commission should the Competition Bill be enacted within 2011-12.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)096

Question Serial No.

0865

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

On preparing a bill to implement proposals to enhance consumer protection against unfair trade practices, please advise on:

- (a) the expenditure required for the work;
- (b) the officers responsible for the work and the number of working hours to be involved;
- (c) the scope of work;
- (d) the schedule or timetable set out for the work in 2011-12.

Asked by : Hon. LI Wah-ming, Fred

Reply :

The Government is committed to tackling unfair trade practices with a view to protecting consumer interests and ensuring a level playing field for business. Following the public consultation on a package of legislative proposals last year, we issued a consultation report and briefed the Panel on Economic Development of this Council on the consultation outcome and way forward in January this year.

Overall, our package of proposals receives community support. We are now working on the drafting of legislative amendments. We hope to be able to introduce the amendments into this Council in the current legislative session.

As regards the manpower and expenditure in relation to the drafting of legislative amendments, the head-count and salaries of officers involved have been subsumed into the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify them separately.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)097

Question Serial No.

0866

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

On preparing a bill to amend the Pyramid Selling Prohibition Ordinance, please advise on:

- (a) the expenditure required for the work;
- (b) the schedule or timetable set out for the work in 2011-12.

Asked by : Hon. LI Wah-ming, Fred

Reply :

The public consultation on legislative proposals to eradicate pyramid schemes was completed in end January this year. The great majority of respondents support our legislative proposals. We will brief the Economic Development Panel on the consultation outcome at its meeting on 28 March 2011. We are now preparing legislative amendments and hope to introduce them into this Council in the current legislative session.

As regards manpower and expenditure, the head-count and salaries of officers involved in the exercise have been subsumed into the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify them separately.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)098

Question Serial No.

0875

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding further enhancement of our destination appeal through enrichment of events organised in Hong Kong by expanding the event scale, duration and publicity value, please provide information on the following:

- (a) the expenditure of the work involved;
- (b) the responsible officers and work hours involved;
- (c) the scope of work;
- (d) the progress or timetable planned for 2011-12.

Asked by : Hon. LI Wah-ming, Fred

Reply :

- (a) In 2011-12, the Hong Kong Tourism Board (HKTB) plans to allocate \$98.8 million for organising major campaigns, promoting year-round events and festivals in Hong Kong, as well as launching promotion themed on mega events in source markets.
- (b)-(c) The Event and Product Development Team in HKTB's Hong Kong head office is tasked with planning and implementing the major campaigns staged by HKTB. It also works with other organisations in publicising their events and programmes. Meanwhile, HKTB's worldwide offices and representative offices will complement the efforts of the head office by promoting Hong Kong's diverse portfolio of events in respective source markets, taking into account the interests of visitors in these markets.
- (d) In 2011-12, HKTB will roll out 10 major campaigns throughout the year featuring a diverse portfolio of events, including those supported by the Mega Events Fund. Besides, HKTB will inject new elements into its campaigns. For instance, HKTB will launch a new Mid-Autumn Lantern Celebrations in September, which will feature a large-scale lantern display at the Victoria Park, and highlight the Tai Hang Fire Dragon Dance and lantern carnivals in various districts. Furthermore, HKTB intends to invite more world famous wine producing regions, wine merchants and the

catering sector to participate in the Hong Kong Wine and Dine Festival to be held in late October. As regards the Hong Kong Wine and Dine Month in November, HKTB will step up co-operation with the catering sector in organising different thematic food and wine programmes each week, including a new Big Roast Party.

Details about the 10 major campaigns of HKTB are as follows:

Month	Campaign	Activities / Elements
April to May 2011	Hong Kong Cultural Celebrations	- 4 traditional festivals: birthdays of Lord Buddha, Tin Hau and Tam Kung, as well as Cheung Chau Bun Festival
June to August 2011	Hong Kong Summer Spectacular	- Hong Kong Dragon Boat Carnival - Summer Pop - Live in Hong Kong concert - Hong Kong Super Shopper contest - Lan Kwai Fong Beer Festival - Hong Kong Book Fair - Food Expo - Ani-com & Games Hong Kong - Themed programmes at Hong Kong Disneyland and Ocean Park
September 2011	Mid-Autumn Lantern Celebrations	- Lantern Wonderland - Tai Hang Fire Dragon Dance
October 2011	Hong Kong Halloween Treats	- Themed programmes at Hong Kong Disneyland, Ocean Park and Madame Tussauds Hong Kong - Lan Kwai Fong Halloween Street Party - German Bierfest
November 2011	Hong Kong Wine and Dine Month	- Hong Kong Wine and Dine Festival - Hong Kong Seafood Festival - Big Roast Party - Street Carnivals - Best of the Best Culinary Awards - Promotion at food districts - Hong Kong International Wine and Spirits Fair
November 2011	Great Outdoors Hong Kong	- Hong Kong National Geopark - Guided hiking tours - Green tours

Month	Campaign	Activities / Elements
December 2011	Hong Kong WinterFest	<ul style="list-style-type: none"> - New Year Countdown Celebrations - Themed programmes at Hong Kong Disneyland and Ocean Park - Hong Kong International Races - Hong Kong Brands and Products Expo Fair - Dragon and Lion Dance Extravaganza - UBS Hong Kong Open Championship 2011
January to February 2012	Chinese New Year Celebrations	<ul style="list-style-type: none"> - Flower markets - Chinese New Year Night Parade - Fireworks Display - Chinese New Year Race Day - Chinese New Year big bowl feast - Asian Challenge Cup (New Year Soccer Tournament)
February to April 2012	Sports	<ul style="list-style-type: none"> - Hong Kong Marathon - Hong Kong Sevens
	Arts and Entertainment	<ul style="list-style-type: none"> - Hong Kong Arts Festival - Hong Kong International Film Festival - International a cappella Festival
Throughout the year	Other signature events	<ul style="list-style-type: none"> - To promote third-party events including those supported by Mega Events Fund

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)099

Question Serial No.

0876

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the focus on Pan-Pearl River Delta and other high potential Mainland markets (Beijing, Shanghai and Shaanxi) in addition to Macao to accelerate multi-destination itinerary development, please provide information on the following:

- (a) the expenditure of the work involved;
- (b) the progress or timetable set for 2011-12.

Asked by : Hon. LI Wah-ming, Fred

Reply :

- (a) The proposed budget of the Hong Kong Tourism Board (HKTB) for developing and promoting multi-destination itineraries in 2011-12 is \$8.6 million.
- (b) To promote multi-destination itineraries in 2011-12, HKTB will focus its resources on co-operating with Mainland cities (especially those in the Pan-Pearl River Delta (PPRD) region) and Macao. HKTB plans to launch relevant promotion with different Mainland provinces and cities in each quarter of the year in both long-haul and short-haul markets (including emerging markets). The tentative programme is as follows –

Date	Promotion	Partner Provinces/Cities
April-June 2011	• Participate in the “Arabian Travel Market” in the Middle East	Macao
	• Organise trade seminars and road shows in Singapore, Malaysia and Indonesia	Guangdong (including Zhuhai, Zhongshan and Jiangmen)

Date	Promotion	Partner Provinces/Cities
July-September 2011	<ul style="list-style-type: none"> Organise trade seminars and road shows in Thailand and Vietnam 	Shenzhen
	<ul style="list-style-type: none"> Participate in the “Otdykh Leisure Moscow” in Russia, a large scale trade exhibition 	Hainan and Macao
October-December 2011	<ul style="list-style-type: none"> Organise trade seminars and road shows in Japan and South Korea 	Shenzhen
	<ul style="list-style-type: none"> Attend the “World Travel Mart” in the UK 	Guangxi and Yunan
January-March 2012	<ul style="list-style-type: none"> Participate in the “Moscow International Travel and Tourism Exhibition” in Russia. Attend the “SATTE” trade exhibition in India 	Macao
	<ul style="list-style-type: none"> Participate in the “International Tourism Bourse” in Germany 	Guangdong, Shaanxi and Yunan
Year-round and other planned promotions	<ul style="list-style-type: none"> Co-operate with airlines and travel portals to promote itineraries featuring Hong Kong in major long-haul markets (throughout the year) 	All Mainland partner cities
	<ul style="list-style-type: none"> Organise consumer road shows in Sydney and Melbourne in Australia (date to be confirmed) 	Guangdong
	<ul style="list-style-type: none"> Partner with key wholesalers to launch media promotion campaigns in Canada, so as to drive awareness and interest in itineraries featuring Hong Kong among the ethnic Chinese segment (date to be confirmed) 	Guangdong

Signature _____

Name in block letters Andrew HY WONG

Post Title Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date 16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)100

Question Serial No.

0932

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please provide information on the amount of Hong Kong Trade Development Council (HKTDC)'s expenditure in organising local exhibitions in the years 2009-10 and 2010-11 respectively, and the percentages they account for in the HKTDC's overall expenditure in the years respectively; and the amounts of revenue generated from the local exhibitions organised by the HKTDC and the percentages they account for in the HKTDC's overall revenue in the years respectively.

Asked by : Hon. NG Margaret

Reply :

The Hong Kong Trade Development Council (HKTDC)'s expenditure in organising local exhibitions, the percentage it accounted for in the overall expenditure; and the amount of revenue generated from the local exhibitions organised by HKTDC, and the percentage it accounted for in the overall revenue in the years 2009-10 and 2010-11 are tabulated as follows-

	2009-10	2010-11
HKTDC's expenditure on local exhibitions #	1,054.2 million	1,092.5 million [^]
HKTDC's overall expenditure	2,200.1 million	2,309.9 million [^]
Expenditure on local exhibitions as a percentage of HKTDC's overall expenditure	48%	47% [^]
HKTDC's revenue from local exhibitions	1,206.2 million	1,321.1 million [^]
HKTDC's overall revenue	2,232.1 million	2,426.1 million [^]
Revenue on local exhibitions as a percentage of HKTDC's overall revenue	54%	54% [^]

Note: From 2009-10, HKTDC's expenditures include financial cost.

The expenditure on local exhibitions includes direct cost as well as the costs attributable to the operation of exhibitions, e.g. staff costs, costs for local and overseas branch offices, booth design, data intelligence, IT support and capital expenditure, etc.

^ Figures to be finalised at the end of financial year.

Signature _____

Name in block letters Andrew HY WONG

Post Title Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date 16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)101

Question Serial No.

0933

Head : Head 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the preparatory work for the implementation of the Competition Bill, please provide the following information:

- (a) Will the Administration create new posts or recruit additional staff to undertake the preparation work for setting up the Competition Commission and the Competition Tribunal? If yes, how many new posts and new staff will be added and what is the estimated expenditure?
- (b) What is the progress of the preparation work for the Competition Commission and the Competition Tribunal? When will the Commission and the Tribunal be created?
- (c) What is the timetable for the publication of the list of exempted statutory bodies? What is the staff establishment involved?

Asked by : Hon. NG Margaret

Reply :

- (a) In 2011-12, we have earmarked provision under Programme (4) for the establishment and initial operation of the Competition Commission (Commission) should the Competition Bill (the Bill) be enacted within 2011-12. The preparatory work will be carried out through existing staff establishment under Head 152. As regards the provision and staffing for the preparation work for setting up the Competition Tribunal (Tribunal), they are reflected in Head 80 - Judiciary.
- (b) The preparation of and the time table for setting up the Commission and the Tribunal will depend on the legislative progress of the Bill.

- (c) We are carefully examining the operation and activities of statutory bodies with the relevant bureaux and departments. We will brief the Bills Committee on the proposals on which statutory bodies or their activities should be brought under the purview of the competition law after we have completed the work. The relevant work is carried out through existing staff establishment under Head 152 and cannot be separately itemised.

Signature	_____
Name in block letters	<u>Andrew HY WONG</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)</u>
Date	<u>16.3.2011</u>

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)102

Question Serial No.

0934

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Noting that the Hong Kong Trade Development Council (HKTDC) is the owner of the Hong Kong Convention and Exhibition Centre (HKCEC), what are the numbers of exhibitions organised by the HKTDC at the HKCEC in the years 2009-10 and 2010-11, and what are the percentages such exhibitions account for in the total numbers of exhibitions organised at the HKCEC in the years respectively.

Asked by : Hon. NG Margaret

Reply :

In the past two financial years, the number of exhibitions organised by the Hong Kong Trade Development Council (HKTDC) at the Hong Kong Convention and Exhibition Centre (HKCEC) and the percentage of such exhibitions accounted for in the total number of exhibitions held at HKCEC are tabulated as follows:

	2009-10	2010-11
The number of exhibitions held at HKCEC	111	107
The number of exhibitions organised by HKTDC at HKCEC	32	31
Percentage of exhibitions organised by HKTDC at HKCEC out of the total number of exhibitions held at HKCEC	29%	29%

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)103

Question Serial No.

2928

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is mentioned under Matters Requiring Special Attention in 2011-12 that the Administration will oversee the effective implementation and further development of the "Mainland and Hong Kong Closer Economic Partnership Agreement". In this connection, what are the plans for 2011-12? What areas of discussion will be expected to take up with the Mainland authorities? Of which, how many measures and activities are concerned with directly arranging local traders to meet and communicate with the Mainland authorities?

Asked by : Hon. PAN Pey-chyou

Reply :

Since 2003, the Mainland and Hong Kong have signed seven CEPA supplements. Thus far about 280 liberalisation measures in 44 service sectors have been announced under CEPA. In 2011-12, the bureaux and departments concerned will continue to maintain liaison with the trade to understand their views on further development of CEPA. We will take into account the views of the trade and explore with the Mainland authorities the direction for further liberalisation of CEPA during the year. In addition, we will also liaise with the relevant Mainland ministries to organise seminars, etc. in Hong Kong to facilitate direct communication between the trade and the Mainland agencies responsible for different services sectors with a view to promoting the effective implementation of CEPA measures.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)104

Question Serial No.

2929

Head : Head 152 - Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What plan has Administration in place in 2011-12 to assist Hong Kong enterprises in industrial restructuring and upgrading, relocating their operations and opening up new markets? What is the expenditure involved?

Asked by : Hon. PAN Pey-chyou

Reply :

In the year 2011-12, the Commerce and Economic Development Bureau will continue to encourage and assist Hong Kong enterprises in upgrading and restructuring, relocating their operations, and opening up new markets so as to adjust to changes in the Mainland's policy on processing trade through the following work:

- maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand their concerns and views; and maintaining close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to convey to and discuss with them the trade's views and proposed measures;
- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities like symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade's understanding of Mainland's new policies, legislation and the business environment. TID's website includes a dedicated page on business information on Mainland China, with hyperlinks to the economic and trade websites of about 190 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to trade-related information on the Mainland;

- organising promotional activities and trade fairs through the Hong Kong Trade Development Council (TDC), and organising delegations to visit the Mainland with a view to enhancing the trade's understanding of Mainland policies and market development;
- providing Hong Kong enterprises with support services on technological upgrading, management improvement, branding and market development, etc., and also Mainland market information through the TDC and the Hong Kong Productivity Council; and
- with regard to financial support, assisting small and medium enterprises (SMEs) through the "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, restructuring and business relocation.

The manpower and expenditure of the above-mentioned work have been subsumed within the establishment and provision for this Bureau and relevant departments and organisations. It is difficult to quantify them separately.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)105

Question Serial No.

2930

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

As stated in Matters Requiring Special Attention in 2011-12, the Administration will conduct a public consultation exercise on the review of the Hong Kong patent system. What are the timetable and details of the review and the public consultation exercise? What are the estimated manpower and expenditure involved?

Asked by : Hon. PAN Pey-chyou

Reply :

Content of Review

The Administration does not have, at this juncture, any preconceived notion or stance regarding the scope and direction of the review. We will listen carefully to proposals and views from all fronts before deciding whether and if so how the current system should be changed. The issues to be reviewed at this preliminary stage include (but are not limited to):

- whether we should establish an “original grant” (“OG”) or “autonomous examination” standard patent system in Hong Kong; whether such a system is conducive to encouraging more local inventions and patent applications; if we were to establish an “OG” system, whether we should outsource the substantive examination, as is done in some other territories¹;

¹ Singapore currently outsources the substantive examination of patent applications to the Patent Offices of Austria, Denmark and Hungary. The Macau Patent Office has commissioned the State Intellectual Property Office to conduct substantive examination for its patent applications. The relevant patent grants are effective only at the place of application.

- whether the current “re-registration” system² should be retained and how it should be improved; whether to implement a “parallel-track” application procedures as in Singapore³;
- whether the current short-term patent system should be retained and how it should be improved; whether to implement pre-litigation substantive examination procedures⁴ as is done in Australia; and
- how to protect inventions, innovations and relevant users more effectively.

Timetable of consultation

We held a forum on 28 February this year to kick start the review of the Hong Kong patent system. Over 160 representatives from the legal, patent agency, industry, academic and scientific research-and-development sectors attended the forum. After we have collected and analyzed the preliminary views of stakeholders, we will consult the Panel on Commerce and Industry of the Legislative Council this May on the scope and direction of the review. The review may have far-reaching impact on our patent system as well as the development of innovation and technology. We will consider opinions from all fronts with a view to formulating, in about a year, the general direction for the further development of our patent system.

Resources and expenditure

The review is still at its preliminary stage. We anticipate that in the first year of the review (i.e. 2011-12), the extra work can be absorbed within our existing resources. It is difficult for us to estimate the resource and expenditure requirements beyond that.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

² The grant of a standard patent in Hong Kong is based on a patent granted by the State Intellectual Property Office, the United Kingdom (“UK”) Patent Office or the European Patent Office (only for applications designating UK). The Hong Kong Patents Registry does not conduct substantive examination. The system is hence also referred to as a “re-registration” system.

³ In Singapore, a patent applicant may, as an alternative to filing a patent application directly with the Intellectual Property Office of Singapore (IPOS) with a request for the search and substantive examination to be done by an outsourced patent office, request IPOS to proceed with granting a patent by relying on the search and/or examination report issued by prescribed patent offices (including the European Patent Office, the patent offices in the US and Japan, etc).

⁴ As the granting of a short-term patent currently is not subject to substantive examination, its validity is susceptible to challenge. The implementation of pre-litigation substantive examination may reduce the number and cost of litigations.

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)106

Question Serial No.

2931

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the tackling of unfair trade practices, would the Administration advise on the following:

- (a) In the past three years (i.e. from 2008-09 to 2010-11), how many complaint cases did the Consumer Council and the Police receive in relation to unfair trade practices each year? Among these cases, how many were prosecuted and convicted respectively?
- (b) For the bill to tackle unfair trade practices, when will it be put up for consideration by the Legislative Council?
- (c) In 2011-12, what plans and measures will be introduced to tackle unfair trade practices? What is the estimated expenditure involved?

Asked by : Hon. PAN Pey-chyou

Reply :

- (a) The Trade Descriptions Ordinance and the Weights and Measures Ordinance contain express provisions prohibiting the unfair trade practices of false trade descriptions and inaccurate weights and measures respectively. The Customs and Excise Department is responsible for enforcing the two Ordinances. Relevant complaint and case statistics are set out in the following table:

		2008	2009	2010
Trade Descriptions Ordinance (false trade descriptions)	complaints	N/A ^{Note}	412 (March to December) ^{Note}	542
	prosecution		10	66
	conviction		7	65
Weights and Measures Ordinance	complaints	932	1 152	1 000
	prosecution	102	176	156
	conviction	102	176	156

Note The Trade Descriptions Ordinance has been amended in 2008 with new provisions added to prohibit several specific forms of false trade descriptions (e.g. false or misleading price indications). The amendments took effect in March 2009. For meaningful comparisons, the above table sets out enforcement statistics after the commencement of the amendments.

The Consumer Council received 3 147, 4 195 and 3 943 complaints related to unfair trade practices (excluding those related to the Lehman Brothers incident) in 2008, 2009 and 2010 respectively.

- (b) In 2010, we consulted the public on legislative proposals to enhance protection for consumers against unfair trade practices. We issued a consultation report and briefed the Panel on Economic Development of this Council on the consultation outcome and way forward in January this year. Overall, our package of proposals receives community support. We are now working on the drafting of legislative amendments. We hope to be able to introduce the amendments into this Council in the current legislative session.
- (c) In 2011-12, we will continue with the work to amend the Trade Descriptions Ordinance to prohibit commonly seen unfair trade practices. The head-count and salaries of officers involved in the exercise have been subsumed into the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify them separately.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)107

Question Serial No.

0671

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

On promoting multi-destination itinerary, would the Administration please inform this Committee:

- (a) the total number and major origins of the visitors who have joined such itineraries as well as the market potential of their originating regions;
- (b) whether targets are set for the number of visitor arrivals? If yes, please provide the details. If no, please state the reasons.
- (c) whether new tourism attractions, in addition to Kaiping, Guangdong, will be added to the itineraries? If yes, please provide the details. If not, please state the reasons.

Asked by : Hon. SHEK Lai-him, Abraham

Reply :

By co-operating with destinations that are complementary to Hong Kong in developing multi-destination travel products, the Hong Kong Tourism Board (HKTb) aims to enrich travellers' experience by attracting them to visit multiple destinations in the same trip. In the light of this, HKTb has been actively organising the local trade to visit the Mainland and overseas markets, where they can explore co-operation with their trade partners in developing and promoting relevant products.

- (a) Currently the majority of visitors who travel on multi-destination itineraries to Hong Kong are overnight visitors from non-Mainland markets, particularly those from the long-haul markets. The Departing Visitors Survey conducted by HKTb shows that in 2010, 85.7% of long-haul visitors and 50.9% short-haul visitors travelled on multi-destination itineraries. For the emerging markets of India, the Middle East and Russia, the ratios were 67.6%, 80.2%, 72.5% respectively.

It has become an established trend for visitors to travel on multi-destination itineraries. In recent years, the active development of tourism and staging of large-scale events in the Mainland have increased its appeal as a tourist destination. In addition, the greater convenience offered by the development of transport infrastructure linking Hong Kong and the Mainland helps consolidate Hong Kong's position as the gateway to the Pan-Pearl River Delta (PPRD) and other Mainland regions. This promises great potential for the development of multi-destination itineraries covering Hong Kong and the Mainland.

- (b) For measuring its overall performance, HKTB keeps tracks of 4 groups of key indicators, namely visitor arrivals, spending, length of stay and satisfaction. Besides, HKTB adopts a number of performance indicators to measure the effectiveness of its different promotion strategies, among which the performance in the promotion of multi-destination itineraries will measure, among others, the number of Mainland cities participating in HKTB's joint promotion of multi-destination itineraries in overseas markets, and the number of multi-destination promotion projects launched by HKTB. HKTB will continue to closely monitor the development of these products, such as the number of products in the markets and the itineraries concerned as well as the trend for visitors to travel on these itineraries, to evaluate its development strategies and ensure effective use of its resources.
- (c) In 2011-12, HKTB will focus its resources on co-operating with the Mainland cities (especially those in the PPRD region) and Macao to promote multi-destination itineraries, which will combine Hong Kong's tourism appeal with the historic and cultural attractions as well as natural landscapes of these destinations. These attractions, apart from the "diaolou" in Kaiping, also include Danxia Mountain in Shaoguan, the Dapeng Geopark in Shenzhen, historic monuments in Zhongshan, beaches in Hainan and the ethnic minority cultures in Yunnan.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)108

Question Serial No.

0986

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the plans and projected expenditure of Hong Kong Tourism Board (HKTB) for drawing in Russian visitors from Moscow and St Petersburg to Hong Kong in the new financial year? What is the rate of increment in estimated expenditure when compared with those of the past three years (i.e. 2008-09, 2009-10 and 2010-11)? What were the growth rates of Russian visitors to Hong Kong over the past three years (i.e. 2008-09, 2009-10 and 2010-11)? How many additional Russian visitors are expected to be drawn to Hong Kong by HKTB's promotion efforts in 2011-12?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Hong Kong Tourism Board (HKTB) has been focusing on Moscow and St Petersburg in developing the Russian market. In 2011-12, HKTB will invest \$8 million to strengthen its promotion in Russia. Detailed initiatives are as follows:

- To boost awareness and interest in Hong Kong among tourists by co-operating with the Russian travel trade on tactical promotion of Hong Kong packages and expanding the scale of online promotion.
- To continue partnership with Hainan province to promote “city (Hong Kong) and beach (Hainan)” multi-destination itineraries to Russian visitors.
- To raise the awareness of Hong Kong among the Russian travel trade and help both sides to establish more business connections through participating in major international travel fairs in Russia (such as the Moscow International Travel & Tourism Exhibition and the Otdykh Leisure Show), organising travel missions to Russia, as well as inviting the Russian travel trade on familiarisation visits to Hong Kong.

The actual expenditure/proposed marketing budget of HKTB for the Russian market in the last three years and 2011-12 are as follows:

Year	2008-09 Actual Expenditure	2009-10 Actual Expenditure	2010-11 Revised Estimate	2011-12 Estimate
\$ million	2.4	3.5	6.8	8.0
Increase (%)	-	46%	94%	18%

The actual/projected visitor arrivals from Russia in the last three years and 2011-12 are as follows:

Year	2008 Actual Visitor Arrivals	2009 Actual Visitor Arrivals	2010 Actual Visitor Arrivals	2011 Projected Visitor Arrivals
Total arrivals	37 000	43 000	87 000	115 000
Increase (%)	-	16%	102%	32%

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)109

Question Serial No.

0987

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In the new financial year (2011-12), what are the policies and measures to be adopted by the Hong Kong Tourism Board for tactical co-operation with overseas trade in long-haul and short-haul key markets? What are the agencies involved in such overseas trade in long-haul and short haul markets? What is the estimated expenditure in this area (please list the estimated expenditure for co-operation with each of these agencies)?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2011-12, the Hong Kong Tourism Board (HKTB) will strengthen the business development element in its promotion targeting the travel trade in source markets, so as to further its strategic partnership with the trade in long-haul and short-haul markets. These travel trade partners include airlines, cruise companies, and travel agents specialising in leisure, MICE (meetings, incentive travels, conventions and exhibitions) and cruise travel. Major initiatives are as follows:

- **To participate in major trade shows in source markets** – HKTB will participate in major trade shows on leisure, MICE or cruise tourism in different source markets, such as the Arabic Travel Market in Dubai, the Cruise Shipping Miami in the US and the European Incentive, Business Travel and Meetings Exhibition in Spain. During the trade shows, HKTB will organise activities and invite trade partners in the respective markets to take part with a view to promoting Hong Kong as well as multi-destination itineraries to them face-to-face.
- **To organise travel missions and trade familiarisation visits** – HKTB will invite Hong Kong trade partners in the leisure and MICE businesses to join travel missions to different source markets, including emerging markets, so as to build up network and business contacts with their overseas counterparts. In addition, it will organise large scale familiarisation tours for product development managers from the target source markets to Hong Kong. Apart from making arrangements for them to experience Hong Kong's

tourism products, mega events and multi-destination itineraries, HKTB will line up meetings for them with the local trade to facilitate cooperation opportunities.

- **Promote packages and itineraries on Hong Kong** - Leveraging on the mega events staged by HKTB and other organisations, HKTB will develop and promote thematic itineraries with travel agents in the source markets. It will also collaborate with the travel trade and tourism administrations of Mainland cities, especially those in the Pan-Pearl River Delta region, and Macao to develop and promote multi-destination itineraries. Targeting the Mainland market, HKTB will promote Quality and Honest Hong Kong Tours with the Mainland travel trade and websites.

In 2011-12, HKTB has earmarked \$32.3 million for the partnership programme and business building, including joint promotion with the travel trade in Hong Kong and visitor source markets. Details and expenditure to be incurred for such promotion, as well as the number of travel agents participating, would depend on the proposals to be submitted by the trade and the contents of their proposals.

Signature	_____
Name in block letters	_____ Andrew HY WONG _____
Post Title	_____ Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) _____
Date	_____ 16.3.2011 _____

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)110

Question Serial No.

0988

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council
(7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What is the rental expenditure on overseas offices of the Hong Kong Trade Development Council (HKTDC) and Hong Kong Tourism Board (HKTB) for the new financial year (2011-12)? What was the relevant expenditure over the past three years? Please list the rental expenditure and lease term of each overseas office of the HKTDC and HKTB respectively.

Asked by : Hon. TSE Wai-chun, Paul

Reply :

- (a) Hong Kong Trade Development Council (HKTDC) has presence in 41 business centres in the Mainland and overseas. 27 of them are HKTDC branch offices. Eight of the branch offices are located in self-own premises, and hence no rentals are incurred. The other 14 are consultant offices for which rentals are not charged to HKTDC's account. The relevant rental expenditures for 2011-12 and the past three years for HKTDC's 19 overseas and Mainland offices are as follows:

HKTDC Mainland & Overseas Offices	Lease Period	2011-12* (HK\$)	2010-11 (HK\$)	2009-10 (HK\$)	2008-09 (HK\$)
Los Angeles	5 years	642,000	624,000	606,000	547,000
Chicago	5 years	535,000	517,000	531,000	631,000
Milan	6 years	1,003,000	1,050,000	1,029,000	993,000
Paris	9 years	1,234,000	1,276,000	1,294,000	1,201,000
Dalian	2 years	167,000	163,000	124,000	125,000
Wuhan	2 years	177,000	173,000	171,000	163,000
Chengdu	3 years	410,000	393,000	388,000	398,000
Fuzhou	2 years	158,000	142,000	138,000	132,000
Guangzhou (Note 1)	4 years	914,000 (Note 2)	227,000	224,000	209,000
Qingdao	2 years	329,000	322,000	317,000	289,000
Xian	2 years	110,000	108,000	106,000	105,000

HKTDC Mainland & Overseas Offices	Lease Period	2011-12* (HK\$)	2010-11 (HK\$)	2009-10 (HK\$)	2008-09 (HK\$)
Hangzhou	3 years	629,000	614,000	467,000	424,000
Bangkok	3 years	241,000	214,000	212,000	227,000
Ho Chi Minh City	5 years	764,000	764,000	764,000	555,000
Kuala Lumpur	2 years	219,000	194,000	203,000	192,000
Dubai	5 years	1,533,000	1,482,000	1,533,000	1,457,000
Sydney	5 years	901,000	780,000	731,000	717,000
Osaka	2 years	1,088,000	1,041,000	927,000	830,000
Taipei	2 years	630,000	592,000	561,000	169,000 (Note 3)
Total		11,684,000	10,676,000	10,326,000	9,364,000

*estimates

Note 1: The Guangzhou Office premises is partially-owned by the HKTDC and partially rented in the same office building.

Note 2: HKTDC has set aside more provisions in 2011-12 for the possibility of relocating Guangzhou Office to a new building.

Note 3: Taipei office opened in end 2008.

- (b) The total expenditure incurred by the Hong Kong Tourism Board (HKTB) on the rentals for its worldwide offices, as well as the rental and lease period of each office for 2011-12 and the previous three financial years, are as follows:

HKTB's Mainland and Overseas Offices	Lease Period	2011-12* (HK\$)	2010-11 (HK\$)	2009-10 (HK\$)	2008-09 (HK\$)
Los Angeles	10 years	760,687	731,351	670,872	1,032,894
New York	5 years plus	450,138 (Note 4)	1,233,375	1,233,375	1,233,375
Toronto	2 years	56,007	53,001	45,516	55,171
London	5 years plus	1,036,851	315,046 (Note 5)	819,280	969,584
Paris	9 years	552,508	728,535	653,151	543,453
Frankfurt	8 years plus	169,135 (Note 6)	336,823	308,779	324,229
Sydney	3 years	737,384	772,208	630,020	728,953
Tokyo	3 years	2,071,767	2,583,606	2,375,519	2,085,990
Osaka	5 years	352,839	393,404	363,264	318,493
Seoul	1 year	278,586	291,060	278,586	318,384
Singapore	2 years	1,392,000	1,327,200	1,302,308	1,313,004
Beijing	2 years	627,278	628,027	654,406	609,194
Shanghai	2 years plus	911,363	891,214	875,714	699,239
Guangzhou	2 years	215,169	206,117	202,938	197,155
Chengdu	2 years	215,914	211,140	214,099	224,400
Total		9,827,626	10,702,107	10,627,827	10,653,518

*estimates

- Note 4: HKTB's New York office moved to a new location with less floor area and lower rental in March 2011. The new lease offers a two-month rent-free period. The projected rental expenditure for 2011-12 is thus much lower than that for the previous years.
- Note 5: HKTB's London office moved to a new address in June 2010. The new lease offers a one-year rent-free period. Hence the rental expenditure of the office for 2010-11 included only the rent for the old office for the period of April to June 2010.
- Note 6: HKTB's Frankfurt office will occupy less floor area effective from April 2011. Hence the rental will be less than that for the previous years.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)111

Question Serial No.

0989

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council
(7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the estimated expenditure of \$514.5 m for the Hong Kong Tourism Board (HKTB) and \$378.3 m for the Hong Kong Trade Development Council (HKTDC) in the new financial year (2011-12), has the Government studied how many promotion activities under the HKTB can be implemented by or with the HKTDC for optional use of their resources and reduction in their overall expenditure? If yes, what are the details? If not, will the Government start such a study immediately?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Hong Kong Tourism Board (HKTB) and the Trade Development Council (TDC) have different missions and scopes of work. Yet there is indeed room for their collaboration. They have been working closely in promoting MICE (meetings, incentive travels, conventions and exhibitions). The two organisations jointly promote Hong Kong's strengths in MICE in target source markets, so as to reinforce Hong Kong's image as a premier MICE destination. Their joint promotional efforts include staging road shows in overseas markets, as well as taking part together with Hong Kong trade partners in major trade shows and conferences in source markets, such as the UFI (Global Association of the Exhibition Industry) Congress held in different parts of the world, the Society of Independent Show Organisers CEO Summit and the China International Trade Show for Exhibition and Conference Industry. During these events, HKTB and TDC also jointly organise marketing activities (e.g. business meetings) to promote Hong Kong to overseas MICE organisers and decision-makers. HKTB has been maintaining close contacts with TDC to explore possible co-operation opportunities.

In addition, HKTB renders assistance in promoting to visitors events staged by TDC, thus achieving synergy and maximising the publicity effect. During its Wine and Dine Month promotion in November in the past two years, HKTB has been promoting TDC's Hong Kong International Wine and Spirits Fair together with the other food and wine programmes organised by our trade. This has further underlined Hong Kong's position as a gourmet centre and a regional wine trading and distribution hub.

In a nutshell, TDC is mainly tasked with promoting Hong Kong's external trade, while HKTB's role is to promote Hong Kong's tourism brand and enrich the tourism experience of overseas visitors. The positioning and objectives of these two organisations are distinct from but complementary to each other. In working together both can contribute to the economic development of Hong Kong.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)112

Question Serial No.

0990

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

- (a) In the new financial year (2011-12), what is the Hong Kong Tourism Board's estimated expenditure on renting advertising spaces/slots (including those of electronic and internet channels) in Hong Kong and overseas countries/regions for publishing, displaying or broadcasting advertisements to promote Hong Kong's tourism? Please give details on the advertisement expenditure, advertising spaces/slots and their rental periods for each country/region.
- (b) How does the estimated expenditure in this area for 2011-12 compare with those of the past two financial years (i.e. 2009-10 and 2010-2011)?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The actual/estimated expenditure of the Hong Kong Tourism Board (HKTB) on advertising (including rentals for publication, display or broadcast of advertisements on Hong Kong's tourism) in both Hong Kong and visitor source markets in the past two financial years and 2011-12 are as follows:

	2009-10 Actual Expenditure (\$ million)	2010-11 Revised Estimate (\$ million)	2011-12 Estimate (\$ million)
Amount	109.924	101.183	102.789
Percentage change	-	-8.0%	+1.6%

In mapping out the advertising budget for individual source markets, HKTB will consider a variety of factors including HKTB's overall promotional strategies, the nature of individual promotion and the circumstances of individual markets, such as the marketing budget available for deployment, the costs of advertising, consumer behaviour, the form of media that can be utilised and their effectiveness.

In recent years, HKTB's advertising strategy has been focusing mainly on jointly launching tactical advertisements on the Hong Kong itineraries with the travel trade. In addition, HKTB places great emphasis on the use of digital media (such as the HKTB website, Facebook and Sina Weibo), and collaboration with Mainland and overseas media organisations to produce travel programmes or coverage about Hong Kong, so as to disseminate promotion messages to consumers. At the same time, HKTB will take into account the actual circumstances and needs of specific markets and tailor-make its advertising strategies. For instance, in emerging markets, HKTB will put more resources in the promotion of Hong Kong to the trade at the initial stage, encouraging them to develop itineraries on Hong Kong and leveraging on their sales network to publicise Hong Kong among the consumers. These will be complemented by public relations activities, such as media reports in the market to enhance the awareness and interest of Hong Kong among the consumers.

The estimated expenditure on advertising for individual visitor source markets in 2011-12 are as follows:

	2011-12 Estimate (\$ million)
Mainland	25.15
Taiwan	4.09
Japan	3.786
South Korea	4.475
Singapore	1.52
Malaysia	0.65
Thailand	0.21
Philippines	1.629
Indonesia	0.18
Vietnam (new market)	1.2
India	4.81
Australia	5.65
United States	9.077
Canada	2.846
United Kingdom	2.51
Germany	0.904
France	1.09
Russia	1.4
Middle East	3.05
The Netherlands (new market)	1.2

HKTB will work out with the suppliers the arrangements and the duration for renting of advertising spaces having regard to the objectives and specific programmes of various promotional campaigns during the year. Such details are not available at this stage.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)113

Question Serial No.

0992

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

How will the Hong Kong Tourism Board “further invest in digital marketing” in the new financial year (2011-12)? What marketing initiatives are expected to be included in this area? What are the expenditure and manpower required? Please give details of each initiative, such as the expenditure involved, means of broadcast and channels for dissemination.

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2011-12, the Hong Kong Tourism Board (HKTB) will step up its efforts in digital marketing for the promotion of Hong Kong. Major initiatives are as follows:

- **To enhance HKTB's DiscoverHongKong.com website** - HKTB will continue to use its DiscoverHongKong.com website as the backbone for digital marketing. It will enhance the design and content architecture of the website to strengthen Hong Kong's image, attract more viewers and help visitors search travel information and plan their itineraries in Hong Kong. In addition, HKTB will enrich the website with user-generated contents, including photos, videos and articles by “netizens”. New interactive functions will also be added, such as interactive 360° videos to showcase mega events and attractions in Hong Kong.
- **To strengthen online promotions** – To drive traffic to DiscoverHongKong.com, HKTB will utilise search engine optimisation technique to make the website appear as one of the top search results among all Internet searches of information on Hong Kong. Multi-media (such as videos) and behavioural targeted advertising will also be deployed.
- **To capitalise on social media** – HKTB will further leverage on social media platforms, such as discussion forums, Facebook and Sina Weibo, to promote Hong Kong in creative ways. For example, it will organise online games and upload videos to online forums to create word-of-mouth and viral effect; and further ride on the influence of popular and influential bloggers to promote Hong Kong. Leveraging on earlier experience of inviting Mainland and Taiwanese bloggers for collaboration, HKTB plans to invite

fashion and lifestyle bloggers from South Korea and Singapore to share their travelling experience in Hong Kong, so as to encourage viral sharing or reading by Internet users. Besides, it plans to set up official fan groups for Hong Kong on Facebook and Sina Weibo.

- **To expand co-operation with travel portals** - In view of the increasing trend for Mainland visitors to book their travel packages online, HKTB has been co-operating with Ctrip and Mangocity, which are travel portals targeting the Eastern China and Guangdong markets respectively. Such co-operation will be expanded to include eLong and other travel portals targeting Northern China in the coming year. As for the long-haul markets, co-operation with travel websites will also be strengthened. For example, promotions of Hong Kong travel packages will be enhanced on Travelocity and Expedia.com in the US, while online promotions will be launched in partnership with PAYBACK, the largest loyalty programme in Germany.
- **To develop new smart phone applications** – HKTB will develop smart phone applications using augmented reality technology to introduce Hong Kong's tourist attractions, such as hiking trails and the Hong Kong National Geopark.

In 2011-12, the proposed budget of HKTB for digital marketing is \$24.127 million. The digital marketing team of HKTB's Hong Kong head office will devise the strategies and implement the related initiatives. HKTB's worldwide offices and representatives will complement these efforts by launching various digital marketing activities in visitor source markets.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)114

Question Serial No.

0993

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

- (a) Which departments or bureaux should tourists or licensed travel agents approach to reflect their dissatisfaction, if any, over the facilities or planning of tourist attractions?
- (b) In the new financial year (2011-12), which departments are responsible for developing and preserving major tourist attractions? What are the expenditure and manpower involved?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The Tourism Commission (TC) is responsible for formulating policies on tourism development in Hong Kong and co-ordinating with various Government departments in the implementation of various tourism projects and initiatives. TC is also maintaining close liaison with major attractions and relevant stakeholders (such as the Travel Industry Council of Hong Kong, the Hong Kong Tourism Board and District Councils) to ensure the smooth running of various attractions and facilities. Views on tourism planning and Government run facilities in Hong Kong can be forwarded directly to TC. Views on individual attractions can be sent to their management.

The Government will continue to allocate resources for the building of tourism hardware and software. In 2011-12, TC will continue to press ahead with the construction of the new cruise terminal at Kai Tak, and monitor the implementation of the Hong Kong Disneyland expansion plan as well as Ocean Park's redevelopment projects. It will also take forward the enhancement works of existing tourist attractions and facilities, and explore the potential and directions for further development of our theme parks. TC will continue to work with relevant government departments, organisations and the industry with a view to ensuring the smooth implementation of various tourism projects and maximising their benefits.

The expenditure and staffing of the above tasks have been subsumed into the provision for and establishment of the Commerce, Industry and Tourism Branch of this Bureau for 2011-12. Apart from the construction cost of individual projects, it is difficult to quantify them separately.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)115

Question Serial No.

0994

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Under Matters Requiring Special Attention in 2011-12, it is mentioned that the Hong Kong Tourism Board will further enhance our destination appeal by expanding the scale and duration of events in the new financial year (2011-12). What are these events? Please give details on the estimated scale, duration (number of days) and expenditure of each event.

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2011-12, the Hong Kong Tourism Board (HKTB) will roll out 10 major campaigns throughout the year featuring a diverse portfolio of events, including those supported by the Mega Events Fund. Besides, HKTB will inject new elements into its mega events. It will also launch promotion on various events in the visitor source markets. The estimated scale, duration and expenditure of each campaign are as follows:

Dates (Number of days)	Key activities / scale	Estimated expenditure ^(Note) (\$million)
25 April to 11 May 2011 (17 days)	Hong Kong Cultural Celebrations – To showcase the unique festive culture of Hong Kong through promoting 4 traditional festivals in April and May including: - Birthday of Tin Hau - Cheung Chau Bun Festival - Birthday of Lord Buddha - Birthday of Tam Kung	4.9

Dates (Number of days)	Key activities / scale	Estimated expenditure ^(Note) (\$million)
17 June to 31 August 2011 (76 days)	<p>Hong Kong Summer Spectacular – To organise the Dragon Boat Carnival, as well as publicise the concert of “Summer Pop – Live in Hong Kong” as well as large scale summer activities and consumer shows and fairs, including:</p> <ul style="list-style-type: none"> - Hong Kong Super Shopper contest - Lan Kwai Fong Beer Festival - Hong Kong Book Fair - Food Expo - Ani-com & Games Hong Kong - Themed programmes at Hong Kong Disneyland and Ocean Park 	20.3
3 to 13 September 2011 (11 days)	<p>Mid-Autumn Lantern Celebrations – To promote the Tai Hang Fire Dragon Dance and lantern carnivals in various districts; and to plan for staging a large-scale lantern display at Victoria Park.</p>	3.7
15 September to 31 October 2011 (47 days)	<p>Hong Kong Halloween Treats – To promote various Halloween celebrations at attractions and other activities around town, including:</p> <ul style="list-style-type: none"> - Themed programmes at Hong Kong Disneyland, Ocean Park and Madame Tussauds Hong Kong - Lan Kwai Fong Halloween Street Party - German Bierfest 	1.8
27 October to 30 November 2011 (35 days)	<p>Hong Kong Wine and Dine Month – To stage the 4-day Hong Kong Wine and Dine Festival, followed by an array of culinary programmes in each week of November, including:</p> <ul style="list-style-type: none"> - Hong Kong Seafood Festival - Big Roast Party - Street Carnivals - Best of the Best Culinary Awards - Promotion at food districts - Hong Kong International Wine and Spirits Fair 	7.9

Dates (Number of days)	Key activities / scale	Estimated expenditure ^(Note) (\$million)
Mid-November to mid-December 2011 (dates to be confirmed)	<p>Great Outdoors Hong Kong – To organise free guided hiking tours, taking visitors to experience Hong Kong’s natural sceneries. Green tourism products to be highlighted include:</p> <ul style="list-style-type: none"> - Hong Kong National Geopark - Hiking trails - Hong Kong Wetland Park and Mai Po Wetland 	1.4
25 November 2011 to 1 January 2012 (38 days)	<p>Hong Kong WinterFest – To promote the festive ambience in Hong Kong during winter, to publicise the Christmas celebrations at attractions and other activities, and to organise the New Year Countdown Celebrations as below:</p> <ul style="list-style-type: none"> - New Year Countdown Celebrations - Themed programmes at Hong Kong Disneyland and Ocean Park - Hong Kong International Races - Hong Kong Brands and Products Expo Fair - Dragon and Lion Dance Extravaganza - UBS Hong Kong Open Championship 2011 	17.6
23 January to 6 February 2012 (15 days)	<p>Chinese New Year Celebrations To organise the Chinese New Year Night Parade and package it with various festive Chinese New Year celebratory activities:</p> <ul style="list-style-type: none"> - Flower markets - Chinese New Year Night Parade - Fireworks display - Chinese New Year Race Day - Chinese New Year big bowl feast - Asian Challenge Cup (New Year Soccer Tournament) 	16.6
February to April 2012 (dates to be confirmed)	<p>Sports – To strengthen collaboration with the trade in promoting the sports events in February and March, such as:</p> <ul style="list-style-type: none"> - Hong Kong Marathon - Hong Kong Sevens 	24.6

Dates (Number of days)	Key activities / scale	Estimated expenditure ^(Note) (\$million)
	<p>Arts and Entertainment - Targeting visitors in the Mainland, Taiwan and selected long-haul markets, to promote Hong Kong's arts and cultural programmes, including:</p> <ul style="list-style-type: none"> - Hong Kong Arts Festival - Hong Kong International Film Festival - International a cappella Festival 	
Throughout the year	<p>Promoting third-party events – To promote activities staged by different organisations, including those supported by the Mega Events Fund; and to launch promotion targeting different visitor segments to complement the above campaigns (e.g. to launch promotional activities targeting the family segment for the Hong Kong Summer Spectacular campaign).</p>	

Note : The amount is earmarked by the HKTb out of its total marketing budget in 2011-12 for organising and promoting the campaigns, excluding sponsorship and other income.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)116

Question Serial No.

0995

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the \$514 m of estimated expenditure for the Hong Kong Tourism Board in the new financial year (2011-12), what promotional initiatives will be implemented jointly with travel agents? Please list the name, the estimated expenditure and the number of participating travel agents for each initiative.

Asked by : Hon. TSE Wai-chun, Paul

Reply :

At the 2011 Hong Kong Tourism Overview held in mid-February this year, the Hong Kong Tourism Board (HKTB) introduced its work plan for 2011-12 to all participating travel trade representatives, including travel agents. The relevant information has also been uploaded onto HKTB's PartnerNet website after the event. In addition, HKTB has sent e-mails to all local trade partners inviting them to submit proposals for joint promotion. During the year, HKTB will, before the launch of specific mega events and promotion, send e-mails again to all local trade partners, including travel agents, to encourage them to submit co-operation proposals.

In 2011-12, HKTB has earmarked \$32.3 million for the partnership programme and business building, including joint promotion with the travel trade in Hong Kong and visitor source markets. Details and expenditure to be incurred for such promotion, as well as the number of travel agents participating, would depend on the proposals to be submitted by the trade and the contents of their proposals.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)117

Question Serial No.

0996

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Under Matters Requiring Special Attention in 2011-12, initiatives of the Hong Kong Tourism Board (HKTB) include joint promotion of meetings and incentive travels with travel agents. What are the policies and measures to be adopted by the HKTB for enhancing its co-operation with travel agents? How many travel agents are expected to co-operate with the HKTB? Apart from targetting travel agents for co-operation, will there be any co-operative opportunities for small and medium ones? What is the concrete plan for the whole initiative? What are the estimated expenditure and manpower?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2011-12, the Hong Kong Tourism Board (HKTB) will continue to co-operate with local and overseas travel agents specialising in meetings and incentive travels to further promote Hong Kong's strengths in these areas and open up more business opportunities. Major initiatives include -

- inviting meetings and incentive travel organisers from target source markets to visit Hong Kong on familiarisation programmes, and arrange for them to meet with the local trade so as to build business connections; and
- taking part in major trade fairs in different target source markets together with members of the local trade, and arrange for them to discuss business co-operation with meetings and incentive travel organisers in the respective markets.

These promotional activities will be conducted with specific focus on individual target source markets. Having regard to the nature of these activities, HKTB will also invite local travel agents operating corresponding businesses to take part in the promotion. For instance, while organising familiarisation visits for meeting and incentive travel organisers from Southeast Asia, HKTB will invite all local travel agents operating related businesses for the Southeast Asian market to participate in these events and meet with their overseas counterparts.

In the 2008-09 Budget, an additional \$150 million was earmarked to enhance MICE (Meetings, Incentive travels, Conventions and Exhibitions) tourism promotion over the following five years. In 2011-12, the Government will continue to allocate \$30 million out of this additional funding to HKTB for promoting MICE tourism. Part of this allocation will be used for joint promotion of meetings and incentive travels with travel agents. Since HKTB will deploy resources flexibly in response to changing needs and the majority of the publicity activities can simultaneously promote MICE tourism, there is no breakdown of expenditure figures on different items.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)118

Question Serial No.

0997

Head : Head 152 - Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is mentioned under the Matters Requiring Special Attention in 2011-12 (the new financial year) that the Commerce, Industry and Tourism Branch will promote co-operation between Hong Kong and Taiwan on trade, investment and tourism matters. What are the policies and measures involved? Will additional expenditure and manpower resources be needed for such policies and measures?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

Following the establishment of the Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council (ECCPC), the Hong Kong-Taiwan Business Co-operation Committee (BCC) and the Hong Kong-Taiwan Cultural Co-operation Committee (CCC) last year, the Financial Secretary, in his capacity as Honorary Chairperson of ECCPC, led a delegation to visit Taiwan in August 2010, comprising members of the ECCPC, BCC, CCC as well as representatives of the business sector. This has given further impetus to the co-operation between Hong Kong and Taiwan in various areas.

The HKSAR Government will continue to actively promote co-operation with Taiwan in the areas of trade, investment and tourism, with the work and estimated expenditure as follows –

- On trade promotion, the Taiwan Office of the Hong Kong Trade Development Council (HKTDC) will continue to promote Hong Kong's service industry, in particular the emerging professional services, and encourage co-operation between Taiwan brands and Hong Kong enterprises to jointly develop the Mainland and overseas markets by leveraging on Hong Kong's service industry. In 2011-12, the HKTDC will focus on promoting Hong Kong as the trading centre between the Mainland and Taiwan on technology as well as related services such as brand management, digital entertainment, licensing and design services, etc. The estimated budget of the HKTDC for trade promotion in Taiwan in 2011-12 is about \$5.4 million.

- On investment promotion, Invest Hong Kong (InvestHK) will continue to step up its promotional efforts in Taiwan, which include organising various programmes to encourage Taiwan companies to set up or expand their business in Hong Kong, and providing them with the necessary support. InvestHK will also conduct investment promotion visits to different cities in Taiwan, including Taipei, Taichung and Kaohsiung to attract more Taiwan companies to open up businesses in Hong Kong, particularly in the financial services, innovation and technology, and creative industries sectors. The estimated budget of InvestHK for investment promotion in Taiwan in 2011-12 is about \$1 million.
- On tourism, the Hong Kong Tourism Board (HKTB) has stepped up its promotion work in Taiwan, co-operating with Taiwan trade organisations to attract more overnight vacation visitors to Hong Kong and develop new source markets outside Taipei (such as Taichung and Kaohsiung). In 2011-12, the HKTB, together with Taiwan media and trade, will jointly promote travelling to Hong Kong through organising various themes-based or large-scale events. Events include, for example, inviting celebrities and consumers from Taiwan to participate in shopping activities in Hong Kong to showcase Hong Kong's trend-setting image; or partnering with attractions and theme parks in Hong Kong to promote "Hong Kong Halloween Treats" itineraries in collaboration with the trade in Taichung and Kaohsiung. The HKTB has applied to establish an official office in Taipei, which would further strengthen its promotion work in Taiwan. The estimated marketing budget of the HKTB for Taiwan in 2011-12 is about \$17.7 million.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)119

Question Serial No.

0998

Head : Head 152 - Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the reasons for choosing Taiwan as a place for enhancing co-operation in the 2011-12 Estimates (no other place or country is mentioned under paragraph 7 of the Matters Requiring Special Attention in 2011-12 for the Commerce, Industry and Tourism Branch)? What is the amount of revenue expected to be generated for Hong Kong's trade, investment and tourism sectors by this?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

Hong Kong and Taiwan have close economic and trade relations. In 2010, Taiwan was the fourth largest trading partner of Hong Kong, with a total trade value amounting to \$293.4 billion, representing an increase of 27.3% over 2009. On investment, as at end of 2009, Taiwan was Hong Kong's thirteenth biggest external investor, with an inward direct investment stock of \$41 billion. On tourism, Taiwan is Hong Kong's second largest visitor source. In 2010, there were about 2.16 million visitor arrivals from Taiwan, representing an increase of 7.7% over 2009.

With the strengthening of the economic and trade relations between the Mainland and Taiwan, the overall economic development of the region would be enhanced. Closer economic and trade co-operation between Hong Kong and Taiwan will therefore benefit the economy and the business sector of both places. Estimated amount of revenue generated is not available.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

SCED, PSCIT, the Commissioner for Tourism and other staff of TC are involved in the monitoring of TIC. These officers also need to handle other policy matters and it is difficult to quantify separately the expenditure involved in monitoring TIC.

Signature	_____
Name in block letters	_____ Andrew HY WONG _____
Post Title	_____ Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) _____
Date	_____ 16.3.2011 _____

The recent incident involving Mainland inbound tourists proves that it is necessary for TIC to implement the 10 measures vigorously. The Government will continue to monitor closely the implementation and effectiveness of the new regulatory measures introduced by TIC, and will work with TIC to consider new initiatives to further strengthen regulation.

The expenditure of the above tasks has been subsumed into the provision for 2011-12 for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)123

Question Serial No.

1002

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

On monitoring the work of the Travel Industry Council of Hong Kong (TIC), will the Commerce and Economic Development Bureau inform this Committee what “transitional” arrangements are in hand to step up the monitoring of the TIC before finalising a decision among the four newly proposed reform options for the TIC in view of the spate of tourism incidents; what policies and measures will be implemented under the “transitional” arrangements; and what are the projected expenditure and staff resources required for such arrangements?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

We are reviewing the operation and regulatory framework of our tourism sector. We plan to launch a two to three-month consultation with the public and the trade in April 2011. Taking into account the views collected in the consultation, we will formulate concrete proposals on reforming the regulatory framework of the tourism sector. We expect to announce the proposals in the fourth quarter of 2011.

Until the new regulatory regime is put in place, we must ensure that the current regulatory regime continues to serve its function. The 10 improvement measures to regulate Mainland inbound tours proposed by the Travel Industry Council of Hong Kong (TIC) must be implemented vigorously. We are of the view that TIC should continue to step up inspection and combat non-compliance cases proactively. We will monitor closely the implementation and effectiveness of the new regulatory measures introduced by TIC, and will work with TIC to consider new initiatives to further strengthen regulation.

The expenditure of the above tasks has been subsumed into the provision for 2011-12 for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)124

Question Serial No.

1003

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

As mentioned under its Matters Requiring Special Attention in 2011-12, the Hong Kong Tourism Board (HKTB) will “organise co-operative programmes with leading global and regional TV networks to maximise the publicity of keys events and festivals”, with which leading global and regional TV networks the HKTB plans to co-operate? (Please provide details of the expenditure to be involved in organising co-operative programmes with these leading global and regional TV networks in promoting key events and festivals respectively; and the dates and number of days scheduled for such programmes.)

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2011-12, the Hong Kong Tourism Board (HKTB) will produce and distribute video news releases of HKTB's mega events (such as the Dragon Boat Carnival, the Mid-Autumn Lantern Celebrations and the Wine and Dine Festival) as well as unique local festivities in Hong Kong to news channels of TV networks worldwide. HKTB will also seek co-operation opportunities with major international and regional networks to produce travelogues or film episodes of popular reality TV programmes in Hong Kong.

In 2011-12, HKTB has earmarked \$37.613 million for implementing its global public relations initiatives, including the expenditure on co-operation with major international and regional TV networks. Details of the partnerships and expenditure to be incurred can only be finalised by HKTB after discussions with individual networks.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)125

Question Serial No.

1004

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

- (a) What are the amounts of expenditure that the Hong Kong Tourism Board (HKTB) will spend on high potential new source markets such as Chennai, Bengaluru, Saudi Arabia, Vietnam and the Netherlands respectively and how will it step up penetration into these places/countries in the coming financial year?
- (b) On what basis has the HKTB classified the above places/countries as “high potential new source markets”?
- (c) Has a projection been made on the additional number of tourists from the above places/countries to be attracted to Hong Kong and the economic benefits to be achieved respectively as a result of the new expenditure and the policy? If so, what are the findings of the projection? If not, can such a projection be made immediately?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

- (a) The promotional strategies adopted by the Hong Kong Tourism Board (HKTB) for India, the Middle East, Vietnam and the Netherlands in 2011-12 are as follows:

India

- To expand promotion from Mumbai and New Delhi to Bengaluru and Chennai, thereby covering all Indian cities with direct flights to Hong Kong. Visitors from these cities represent 80% of total Indian arrivals.
- To strengthen networking and co-operation with the Indian travel trade and leading trade partners, including airlines and travel agencies; and to launch joint campaigns and tactical packages in two key promotional windows in India (from April to May and from October to November) to attract more visitors to Hong Kong.

- To co-operate with operators of Hong Kong's attractions and neighbouring destinations such as Macau, to promote multi-destination itineraries; and to launch tourism products targeting the family segment in New Delhi and Mumbai.
- To work with the trade and cruise companies to publicise fly/cruise itineraries at major trade fairs and consumer promotion events in India.
- To collaborate with Indian MICE (meetings, incentives, conventions and exhibitions) trade partners to promote value-added proposals for meetings and incentive travels to major industries including finance, insurance, manufacturing and pharmaceutical.

The Middle East

- To focus on the United Arab Emirates (Abu Dhabi and Dubai) and Saudi Arabia within the Gulf Co-operation Council region; and appoint a representative in Saudi Arabia in 2011, focusing marketing activities in Riyadh and Jeddah.
- To launch itineraries featuring Hong Kong and the Pearl River Delta, attracting the family segment and young professional expatriates in the Middle East to visit Hong Kong on multi-destination itineraries.
- To participate in the Arabian Travel Market exhibition in Dubai in May 2011, and organise a trade delegation to the Middle East during the year, so as to enhance the knowledge and interest in Hong Kong among the travel trade in the Middle East, as well as to create a business platform for the Hong Kong and Middle Eastern trades to explore co-operation opportunities.
- To engage major airlines and tour operators in tactical co-operative promotions during the two major travel windows of April and October.

Vietnam

- To establish trade networks in two key cities, namely Hanoi and Ho Chi Minh City, so as to enhance the knowledge in Hong Kong's tour products among the travel trade in Vietnam.
- To take part in the International Travel Expo in Ho Chi Minh City with Hong Kong trade partners in September 2011; and to organise a trade delegation to Vietnam in November to create a business platform for the travel trades of Hong Kong and Vietnam.

The Netherlands

- To focus on Amsterdam initially and to establish network with the travel trade through travel missions and participation in Vakantiebeurs, the top trade and consumer travel fair in the country.

The marketing budgets of the HKTB for India, the Middle East, Vietnam and the Netherlands in 2011-12 are as follows:

	2011-12 Proposed Budget (HK\$ million)
India	11.7
Middle East	7.1
Vietnam	3.5
Netherlands	2.8

- (b) In assessing the potential of the emerging markets, HKTB has taken a number of factors into consideration, including the economic performance and prospects of these markets, flight capacity between these markets and Hong Kong, as well as past visitor arrival numbers and growth trends of these markets. HKTB also makes reference to reports of international research bodies on the number and growth of overnight arrivals from different markets.
- (c) The projected growth in visitor arrivals and economic benefits of the four emerging markets, namely India, the Middle East, Vietnam and the Netherlands, are as follows:

	2011 Projected Visitor Arrivals (Growth vs. 2010) (Note 1)	2011 Projected Visitor Spending (HK\$ million) (Growth vs. 2010)
India	641 000 (+20.7%)	\$2,107.4 (+27.8%)
Middle East	241 000 (+13.6%)	\$1,063.7 (+24.3%)
Vietnam	124 000 (+21.0%)	(Note 2)
Netherlands	115 000 (+8.0%)	\$452.9 (+11.8%)

Note 1: The visitor arrival figures have been rounded up to the nearest thousand, whereas the percentages in brackets are based on the comparison of absolute arrival figures before rounding up.

Note 2: HKTB only started to conduct separate tracking of visitor spending of the Vietnam market in January 2011. Hence there is no related past data or projected figure for 2011.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)126

Question Serial No.

2895

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

- (a) How much public money was allocated and will be allocated for “improving” and “enhancing” the facilities of Aberdeen and Ap Lei Chau near the embankment of the typhoon shelter by the Government in the past financial year (2010-11) and the coming financial year (2011-12) respectively? (Please cite the detailed expenditures of the works projects and the newly-provided facilities.)
- (b) Both the tourism sector and many members of the public have pointed out that the above new facilities do not go well with the original scenery of the district and are incompatible with the development plan of the fisherman’s wharf. In the coming financial year, will the Government allocate resources for consulting the tourism sector, the relevant district council and the public in advance for the purpose of reviewing the tourism development plan of Aberdeen, Ap Lei Chau and the whole Southern District? If yes, what are the specific plans? If not, will manpower and resources be allocated immediately for the study?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

- (a) The Government will carry out improvement works for the promenade on both sides of the Aberdeen Harbour as well as Ap Lei Chau Main Street and adjacent streets with the theme of a traditional fishermen’s village. The Finance Committee approved the funding application for this project in February this year. The estimated total expenditure for the project is \$288.1 million in money-of-the-day prices. The breakdown of expenditure is as follows –

	\$million	
(1) Improvement works		
(i) Improvement works at the Aberdeen Promenade	116.3	
(ii) Improvement works at the Ap Lei Chau Waterfront Promenade	69.6	
(iii) Improvement works at the Ap Lei Chau Main Street area	24.3	
(iv) Other improvement works	10.5	
(2) Consultants' fees		0.9
(i) Contract administration	0.1	
(ii) Management of resident site staff	0.8	
(3) Remuneration of resident site staff		17.5
(4) Contingencies	16.9	
Subtotal	256.0	(in September 2010 prices)
(5) Provision for price adjustment		32.1
Total	288.1	(in money-of-the-day prices)

In 2010-11, the project was still at planning stage, hence it did not incur any expenditure. The estimated expenditure for 2011-12 is about \$31.3 million.

- (b) In taking forward the project, we have been maintaining close liaison with the Southern District Council (SDC) and other stakeholders, and have obtained their support for the broad direction put forward by the Government. In July and August last year, together with our consultants, we met with district personalities and stakeholders on several occasions to gauge their views on the project design for the improvement works for the promenade on both sides of the Aberdeen Harbour. Their comments have subsequently been incorporated. In November and December 2010, we have also consulted the SDC and the Panel on Economic Development of the Legislative Council respectively. Separately, we will continue to explore other long-term proposals to further enhance the tourism appeal of Aberdeen. These include developing the Aberdeen Wholesale Fish Market into a tourist attraction with seafood restaurants, and developing a dining cum entertainment zone featuring seafood cuisine at part of the waterfront of northeastern Ap Lei Chau. We will consult SDC, district personalities and other stakeholders again at an appropriate juncture. The expenditure of the relevant tasks has been subsumed into the provision for the Commerce, Industry and Tourism Branch of this Bureau for 2011-12. It is difficult to quantify them separately.

Signature _____

Name in block letters _____ Andrew HY WONG _____

Post Title _____ Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism) _____

Date _____ 16.3.2011 _____

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)127

Question Serial No.

2898

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Provision for 2011-12 is \$13.5 million (2.7%) higher than the revised estimate for 2010-11. How will the newly-added funds be used for expanding marketing efforts in emerging markets? (Please list the marketing efforts and expenditures in various emerging markets as envisaged by the Hong Kong Tourism Board.)

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In 2011-12, the Hong Kong Tourism Board (HKTB) will make use of the additional funding of HK\$13.50 million from the Government to enhance promotion in existing emerging markets, namely India, the Middle East and Russia; and to develop high potential new source markets such as Vietnam and the Netherlands. The promotional strategies adopted by HKTB are as follows:

India

- To expand promotion from Mumbai and New Delhi to Bengaluru and Chennai, thereby covering all Indian cities with direct flights to Hong Kong. Visitors from these cities represent 80% of total Indian arrivals.
- To strengthen networking and co-operation with the Indian travel trade and leading trade partners, including airlines and travel agencies; and to launch joint campaigns and tactical packages in two key promotional windows in India (from April to May and from October to November) to attract more visitors to Hong Kong.
- To co-operate with operators of Hong Kong's attractions and neighbouring destinations such as Macao, to promote multi-destination itineraries; and to launch tourism products targeting the family segment in New Delhi and Mumbai.

- To work with the trade and cruise companies to publicise fly/cruise itineraries at major trade fairs and consumer promotion events in India.
- To collaborate with Indian MICE (meetings, incentives, conventions and exhibitions) trade partners to promote value-added proposals for meetings and incentive travels to major industries including finance, insurance, manufacturing and pharmaceutical.

The Middle East

- To focus on the United Arab Emirates (Abu Dhabi and Dubai) and Saudi Arabia within the Gulf Co-operation Council region; and appoint a representative in Saudi Arabia in 2011, focusing marketing activities in Riyadh and Jeddah.
- To launch itineraries featuring Hong Kong and the Pearl River Delta, attracting the family segment and young professional expatriates in the Middle East to visit Hong Kong on multi-destination itineraries.
- To participate in the Arabian Travel Market exhibition in Dubai in May 2011, and organise a trade delegation to the Middle East during the year, so as to enhance the knowledge and interest in Hong Kong among the travel trade in the Middle East, as well as to create a business platform for the Hong Kong and Middle Eastern trades to explore co-operation opportunities.
- To engage major airlines and tour operators in tactical co-operative promotions during the two major travel windows of April and October.

Russia

- To boost awareness and interest in Hong Kong among consumers by co-operating with the Russian travel trade on tactical promotion of Hong Kong packages and expanding the scale of online promotion.
- To continue partnership with Hainan province to promote “city (Hong Kong) and beach (Hainan)” multi-destination itineraries to Russian visitors.
- To raise awareness of Hong Kong among the Russian travel trade and help Hong Kong and Russian trades build business connections through participating in major international travel fairs in Russia (such as the Moscow International Travel & Tourism Exhibition and the Otdykh Leisure Show), organising travel missions to Russia, as well as inviting the Russian travel trade on familiarisation visits to Hong Kong.

Vietnam

- To establish trade networks in two key cities, namely Hanoi and Ho Chi Minh City, so as to enhance the knowledge in Hong Kong’s tour products among the travel trade in Vietnam.
- To take part in the International Travel Expo in Ho Chi Minh City with Hong Kong trade partners in September 2011; and to organise a trade delegation to Vietnam in November to create a business platform for the travel trades of Hong Kong and Vietnam.

The Netherlands

- To focus on Amsterdam initially and to establish network with the travel trade through travel missions and participation in Vakantiebeurs, the top trade and consumer travel fair in the country.

The marketing budgets of the HKTB for India, the Middle East, Russia, Vietnam and the Netherlands in 2011-12 are as follows:

	2011-12 Proposed Budget (HK\$ million)
India	11.7
Middle East	7.1
Russia	8.0
Vietnam	3.5
Netherlands	2.8

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for
Commerce and Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)128

Question Serial No.

2911

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What policies and measures will the Hong Kong Tourism Board (HKTB) adopt in the new financial year to accelerate multi-destination itinerary development? (Please give a detailed breakdown of the HKTB's estimated expenditure in connection with the Macao, Pan-Pearl River Delta and other high potential Mainland markets.)

Asked by : Hon. TSE Wai-chun, Paul

Reply :

To promote multi-destination itineraries in 2011-12, the Hong Kong Tourism Board (HKTB) will focus its resources on co-operating with Mainland cities (especially those in the Pan-Pearl River Delta (PPRD) region) and Macao. Major initiatives include:

- **Partnership with Macao** - Tapping into emerging markets with the Macao Government Tourist Office by participating in major travel fairs in the Middle East, Russia and India, and launching promotion in these markets: for example, placing advertisements in India's national newspapers and travel websites with major travel agents to drive the sales of Hong Kong-Macao packages bundled with value-added offers.
- **Partnership with Shenzhen** - Joining the Shenzhen Municipal Bureau of Culture, Sport and Tourism in organising travel missions and road shows in Taiwan, Japan, South Korea, Thailand and Vietnam. Riding on the Universiade 2011 Shenzhen to roll out Hong Kong-Shenzhen itineraries targeting short-haul visitors with the travel trade; and inviting overseas travel trade partners to Hong Kong and Shenzhen for familiarisation visits to encourage them to develop itineraries featuring the two destinations.

- **Partnership with Guangdong** - Co-operating with key Guangdong cities such as Guangzhou, Zhongshan, Zhuhai, Kaiping and Shaoguan in developing itineraries featuring these cities and Hong Kong for long-haul visitors. Launching joint promotion in overseas markets, such as partnering with the Guangdong Provincial Tourism Administration (GDPTA) and key wholesalers in mounting media promotion campaigns in Canada to drive awareness and interest in Hong Kong-Guangdong packages among the ethnic Chinese segment. HKTB also plans to stage road shows with GDPTA in Melbourne and Sydney in Australia.
- **Partnership with the PPRD** - Inviting tourism administrations and trade partners in the PPRD region to take part together in major travel fairs in the long-haul markets (e.g. the UK, Russia and Germany) to jointly promote PPRD region tourism.
- **Partnership with Beijing, Shanghai and Xi'an** - Promoting Hong Kong plus Beijing, Shanghai or Xi'an itineraries in major long-haul markets through collaboration with airlines and major travel portals.

The proposed budget of the HKTB for developing and promoting multi-destination itineraries in 2011-12 is \$8.6 million.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)129

Question Serial No.

2912

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Has the Administration assessed the economic benefits and additional visitor arrivals that could be generated for Hong Kong by the expenditure on accelerating multi-destination itinerary development? If this has been done, what are the assessment results? If not, would the Administration make assessment in the future?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

By co-operating with destinations that are complementary to Hong Kong in developing multi-destination travel products, the Hong Kong Tourism Board (HKTB) aims to enrich travellers' experience by attracting them to visit multiple destinations in the same trip. In the light of this, HKTB has been actively organising the local trade to visit the Mainland and overseas markets, where they can explore co-operation with their trade partners in developing and promoting relevant products.

Multi-destination travel has become an established trend among visitors. Currently the majority of visitors who travel on multi-destination itineraries to Hong Kong are overnight visitors from non-Mainland markets, particularly those from the long-haul markets. The Departing Visitors Survey conducted by HKTB shows that in 2010, 85.7% of long-haul visitors and 50.9% short-haul visitors travelled on multi-destination itineraries. For the emerging markets of India, the Middle East and Russia, the ratios were 67.6%, 80.2%, 72.5% respectively. HKTB will continue to closely monitor the development of these products, such

as the number of products in the markets and the itineraries concerned as well as the trend for visitors to travel on multi-destination itineraries, to evaluate its development strategies and ensure effective use of its resources.

Signature	_____
Name in block letters	<u>Andrew HY WONG</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)</u>
Date	<u>16.3.2011</u>

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)130

Question Serial No.

3392

Head : 152 – Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council
(7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

I have proposed in the past that the Government should consider, from the perspectives of reducing large amount of public expenditure and unnecessary bureaucracy, merging the Hong Kong Trade Development Council (TDC) and the Hong Kong Tourism Board (HKTB) in order to make the best use of the two organisations' overseas offices and human resources to promote our trade and, at the same time, publicise and facilitate the development of our tourism industry. Has the Administration reserved any resources and manpower for studying the above proposal in the current and the new financial years? If yes, what are the details? If not, will the Administration allocate manpower and resources for carrying out the study immediately? If the proposal is rejected, please provide concrete justifications for the decision.

Asked by : Hon. TSE Wai-chun, Paul

Reply :

The key responsibility of the Hong Kong Tourism Board (HKTB) is to spearhead the marketing and promotion of Hong Kong as a world-class tourist destination, raising the level of interest in visiting Hong Kong among consumers in visitor source markets and enriching visitors' travel experience when they are in Hong Kong. Taking into account the strategic directions set by the HKTB head office in Hong Kong, as well as the interests of different visitor segments in the source markets, the worldwide offices of HKTB will develop and implement promotion through co-operation with the travel trade and media in the respective market, thereby attracting more visitors to Hong Kong.

As regards the Hong Kong Trade Development Council (TDC), its key responsibility is to promote, assist and develop Hong Kong's trade with places outside Hong Kong, with particular reference to exports. The tasks carried out by TDC's overseas offices include providing assistance to Hong Kong companies participating in product or services exhibitions held in the host countries in respect of design of exhibition stands and publicity; providing business matching services; collecting market intelligence; rendering support to overseas Hong Kong business associations with a view to maintaining and expanding networks of overseas

business relations; as well as arranging visit and exchange activities for Hong Kong's business missions organised by TDC.

HKTB and TDC have different missions and scopes of work. Yet there is indeed room for their collaboration. They have been working closely in promoting MICE (meetings, incentive travels, conventions and exhibitions). The two organisations jointly promote Hong Kong's strengths in MICE in target source markets, so as to reinforce Hong Kong's image as a premier MICE destination. Their joint promotional efforts include staging road shows in overseas markets, as well as taking part together with Hong Kong trade partners in major trade shows and conferences in source markets, such as the UFI (Global Association of the Exhibition Industry) Congress held in different parts of the world, the Society of Independent Show Organisers CEO Summit and the China International Trade Show for Exhibition and Conference Industry. During these events, HKTB and TDC also jointly organise marketing activities (e.g. business meetings) to promote Hong Kong to overseas MICE organisers and decision-makers. HKTB has been maintaining close contacts with TDC to explore possible co-operation opportunities.

In addition, HKTB renders assistance in promoting to visitors events staged by TDC, thus achieving synergy and maximising the publicity effect. During its Wine and Dine Month promotion in November in the past two years, HKTB has been promoting TDC's Hong Kong International Wine and Spirits Fair together with the other food and wine programmes organised by our trade. This has further underlined Hong Kong's position as a gourmet centre and a regional wine trading and distribution hub.

In a nutshell, TDC is mainly tasked with promoting Hong Kong's external trade, while HKTB's role is to promote Hong Kong's tourism brand and enrich the tourism experience of overseas visitors. The positioning and objectives of these two organisations are distinct from but complementary to each other. In working together both can contribute to the economic development of Hong Kong. We consider that there is a need to maintain two separate entities to perform their tasks as set out in their respective Ordinances.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)131

Question Serial No.

3394

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Has the Government reserved manpower and resources in the new financial year (2011-12) for re-examining (and implementing if feasible) the plan to develop a Fisherman's Wharf in Aberdeen with regard to the general view of the tourism sector and the Legislative Council Panel on Economic Development? If yes, what is the estimated expenditure? If no, could resources be allocated immediately for this purpose?

Asked by : Hon. TSE Wai-chun, Paul

Reply :

In early 2008, the Tourism Commission appointed a financial consultant to assess the commercial and financial viability of the original conceptual design of the Aberdeen Tourism Project. The study, completed in March 2009, revealed that the financial viability of the original conceptual design (i.e. the "Fisherman's Wharf") was marginal even under favourable economic conditions plus substantial injection of commercial elements in public open space and is unlikely to attract private sector participation. However, a substantial increase of commercial elements will spoil the characteristics of Aberdeen as a traditional fishing harbour. In addition, as part of the areas covered by the original conceptual design will serve as works sites of the South Island Line (East) and Stage 2 of the Harbour Area Treatment Scheme, the scale and financial viability of the project have thus been further undermined.

Indeed, "Fisherman's Wharf" is only a general description. It is more important to preserve the ambience of traditional fishermen's village in Aberdeen. In order to expedite the implementation of the project and after careful deliberation, we decided to undertake improvement works for the promenade on both sides of the Aberdeen Harbour with the theme of a traditional fishermen's village as the first step, while exploring other options to further enhance the tourism appeal of Aberdeen in the long run. This broad direction has the support of the Southern District Council (SDC).

In taking forward the Aberdeen Tourism Project, we have been maintaining close liaison with the SDC and other stakeholders. In July and August last year, together with our consultants, we met with district personalities and stakeholders on several occasions to gauge their views on the project design for the improvement works for the promenade on both sides of the Aberdeen Harbour. Their comments have subsequently been incorporated. In November and December 2010, we consulted the SDC and the Panel on Economic Development of the Legislative Council respectively. The project obtained funding approval from the Finance Committee of the Legislative Council on 18 February 2011. We will commence construction within this year for completion in phases between 2012 and 2014.

Separately, we will explore other long-term proposals to further enhance the tourism appeal of Aberdeen. These include developing the Aberdeen Wholesale Fish Market into a tourist attraction with seafood restaurants, and developing a dining cum entertainment zone featuring seafood cuisine at part of the waterfront of northeastern Ap Lei Chau. We will consult SDC, district personalities and other stakeholders again at an appropriate juncture. The expenditure of the relevant tasks has been subsumed into the provision for the Commerce, Industry and Tourism Branch of this Bureau for 2011-12. It is difficult to quantify them separately.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)132

Question Serial No.

2932

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (4) Posts, Competition Policy and Consumer Protection

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the issue of pyramid selling, would the Administration advise on the following:

- (a) In the past three years (i.e. from 2008-09 to 2010-11), how many complaint cases did the Consumer Council and the Police receive in relation to pyramid selling each year? Among these cases, how many were prosecuted and convicted respectively?
- (b) How far is the preparation work on the bill to amend the Pyramid Selling Prohibition Ordinance? When will the bill be put up for consideration by the Legislative Council?
- (c) In 2011-12, what plans and measures will be introduced to prohibit pyramid selling? What is the expenditure involved?

Asked by : Hon. WONG Kwok-hing

Reply :

- (a) In the past three financial years, the Consumer Council received 40 complaints relating to suspected pyramid schemes. Separately, in the past three calendar years (i.e. from 2008 to 2010), the Police received seven complaints into which the Police conducted investigations as to whether there was any breach of the Pyramid Selling Prohibition Ordinance. In one of these cases, charge has been laid and court proceedings are underway.
- (b) The public consultation on legislative proposals to eradicate pyramid schemes was completed in end January this year. The great majority of respondents support our legislative proposals. We will brief the Economic Development Panel on the consultation outcome at its meeting on 28 March 2011. We are now preparing legislative amendments and aim to introduce them into this Council in the current legislative session.

- (c) In 2011-12, we will take forward the amendments to the Pyramid Selling Prohibition Ordinance. The head-count and salaries of officers involved in the exercise have been subsumed into the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify them separately.

Signature	_____
Name in block letters	<u>Andrew HY WONG</u>
Post Title	<u>Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)</u>
Date	<u>16.3.2011</u>

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)133

Question Serial No.

2933

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In the matters Requiring Special Attention in 2011-12, it is stated that the Consumer Council will continue to conduct the Weekly Price Survey and Supermarket Price Watch. Will the Government advise of the following:

- (a) What were the number of projects conducted, number of items and total expenditure involved in the above two price surveillance initiatives in the past year (i.e. 2010-11)?
- (b) Please advise of the estimated expenditure of the above two initiatives involved in the coming year (i.e. 2011-12).
- (c) As commodity prices in the coming year may go up, will the Administration consider allocating more resources for the Consumer Council so that the price surveillance plan can be enhanced with the number of actions and type of items increased and the scope expanded? If yes, how much is the additional funding? If not, what are the reasons?

Asked by : Hon. WONG Kwok-kin

Reply :

- (a) The Weekly Price Survey is conducted every week. There will be a total of 52 rounds in 2010-11, each surveying the prices of about 40 items. In total, about 2 100 item-prices will be recorded in 2010-11. The portal of the Internet Price Watch works around the clock, capturing the retail prices of over 600 items of goods available for sale in four on-line stores.
- (b) The estimated annual expenditure of the two initiatives is \$3.62 million.
- (c) We will monitor the effectiveness of the two initiatives and decide on future arrangements.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)134

Question Serial No.

0501

Head : 152 Government Secretariat:
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Subhead (No. & title) :

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Administration will conduct a public consultation exercise on the review of the Hong Kong patent system. What are the details of the review? What are the annual number of users of Hong Kong's patent registration services and the related fees? Has the Administration made projections on whether the number of users and amount of fees will increase over the next 3 years, i.e. 2011-12, 2012-13 and 2013-14? What are the projected figures?

Asked by : Hon. WONG Ting-kwong

Reply :

Content of Review

The Administration does not have, at this juncture, any preconceived notion or stance regarding the scope and direction of the review. We will listen carefully to proposals and views from all fronts before deciding whether and if so how the current system should be changed. The issues to be reviewed at this preliminary stage include (but are not limited to):

- whether we should establish an “original grant” (“OG”) or “autonomous examination” standard patent system in Hong Kong; whether such a system is conducive to encouraging more local inventions and patent applications; if we were to establish an “OG” system, whether we should outsource the substantive examination, as is done in some other territories¹;

¹ Singapore currently outsources the substantive examination of patent applications to the Patent Offices of Austria, Denmark and Hungary. The Macau Patent Office has commissioned the State Intellectual Property Office to conduct substantive examination for its patent applications. The relevant patent grants are effective only at the place of application.

- whether the current “re-registration” system² should be retained and how it should be improved; whether to implement a “parallel-track” application procedures as in Singapore³;
- whether the current short-term patent system should be retained and how it should be improved; whether to implement pre-litigation substantive examination procedures⁴ as is done in Australia; and
- how to protect inventions, innovations and relevant users more effectively.

Statistics of Patent Applications and Grants and Fees

In the six years ending 2010, there were on average around 12 000 standard patent applications and around 5 200 grants per year. In 2010, there were 11 702 applications for standard patents and 5 353 grants respectively. The total application and publication fee for a standard patent is \$896.

As for short-term patents, there were on average around 530 applications and 460 grants per year in the six years ending 2010. In 2010, there were 614 applications for short-term patents and 522 grants respectively. The total application and publication fee for a short-term patent is \$823.

Projections for the coming three years

On the basis of the numbers of patent applications and grants in the past two years and assuming no significant changes in external factors (including the economic environment) in the coming three years, the estimated numbers of annual patent applications and grants for the coming three years are as follows –

Standard Patents

Number of applications	: 12 000 – 15 000
Number of grants	: 5 500 – 6 000

² The grant of a standard patent in Hong Kong is based on a patent granted by the State Intellectual Property Office, the United Kingdom (“UK”) Patent Office or the European Patent Office (only for applications designating UK). The Hong Kong Patents Registry does not conduct substantive examination. The system is hence also referred to as a “re-registration” system.

³ In Singapore, a patent applicant may, as an alternative to filing a patent application directly with the Intellectual Property Office of Singapore (IPOS) with a request for the search and substantive examination to be done by an outsourced patent office, request IPOS to proceed with granting a patent by relying on the search and/or examination report issued by prescribed patent offices (including the European Patent Office, the patent offices in the US and Japan, etc).

⁴ As the granting of a short-term patent currently is not subject to substantive examination, its validity is susceptible to challenge. The implementation of pre-litigation substantive examination may reduce the number and cost of litigations.

Short-term Patents

Number of applications : 560 - 650

Number of grants : 500 - 550

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)135

Question Serial No.

0502

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The financial provision for this year (i.e. \$76 million) is 1.8% lower than that for last year. Such a decrease, according to the Administration, is due to completion of the installation of computer equipment. Statistics show that the number of consumer complaints is expected to increase from 29 048 to 33 000 in 2011. Given that the provision is virtually similar in amount to that for last year without any increase, will this limit the development of the Consumer Council's work? If not, what are the justifications?

Asked by : Hon. WONG Ting-kwong

Reply :

The Consumer Council will use its existing resources to streamline its procedures in handling consumer complaints in order to expedite the process. Hence the estimated increase in the number of consumer complaints in 2011 will not affect the other aspects of the current work of the Council.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)136

Question Serial No.

0503

Head : 152 Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (5) Subvention: Consumer Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to the performance measures in respect of protection and promotion of consumer interests, the Consumer Council managed to complete all the job items within the set time frame. Will the Administration consider further enhancing such services? If so, what are the details? If not, what are the reasons?

Asked by : Hon. WONG Ting-kwong

Reply :

The Government will invite the Consumer Council to consider setting more ambitious performance targets after reviewing its actual operations.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)137

Question Serial No.

0504

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The financial provision increased by 52.5% over the previous year to \$163.9 million due to the anticipated increase of cash flow requirement for the Mega Events Fund (the Fund), which had a lower than expected cash flow requirement in the previous year. Has the Administration ascertained the reasons for such low requirement last year? What is the difference between the expected and actual requirement? What is the justification for the higher estimate this year? And what economic benefits will the Fund generated for Hong Kong?

Asked by : Hon. WONG Ting-kwong

Reply :

The Mega Events Fund (MEF) was established in May 2009 following funding approval of the Finance Committee of the Legislative Council. Since its inception, four rounds of applications were completed and a total sum of \$53 million has been granted to support 14 mega events.

The cash flow requirement for the MEF in 2010-11 was lower than expected. This is mainly because one of the approved events, “Louis Vuitton Hong Kong Trophy”, originally planned to be hosted in the year was subsequently cancelled due to the schedule change of other international sailing events, hence the approved funding of \$10 million has not been taken up by the applicant. Besides, the remaining funding for four approved events will be disbursed in 2011-12. Meanwhile, the level of funding for some events was also lower than expected. In view of the above, the revised estimate of the MEF in 2010-11 is \$20 million, 50% less than the original estimate.

We anticipate that the cash flow requirement for the MEF will increase in 2011-12. Apart from the need to disburse the remaining funding for the four events in 2011-12 as mentioned above, another four approved events will be held in 2011-12 and require funding in the year. At the same time, we shall soon commence the invitation for the fifth round of MEF applications. We expect that funding support for more events will be approved. Therefore, it is necessary to earmark sufficient provisions to meet the funding need.

As regards the economic benefits of the events, the information submitted by applicants reveals that the MEF supported events are expected to attract over 600 000 participants, including 135 000 visitors, and create around 6 900 jobs. The events have added colour and vibrancy to Hong Kong's city life and boosted Hong Kong's status as an events capital of Asia. They can attract more visitors to Hong Kong specifically for the events or increase their length of stay. With MEF funding, the organisers can expand the scale of the events, enhance their publicity work outside Hong Kong and raise the events' international profile. The Hong Kong Tourism Board (HKTB) can also leverage on the opportunities to include these events into its promotional plan and adopt different advertising channels (such as newsletters/internet portals coverage, trade notices and advertising boards at different tourist spots) to maximize the publicity effect. Through co-operation with trade partners in neighbouring tourist destinations, the HKTB has also developed special tour packages to attract visitors to Hong Kong for these events.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)138

Question Serial No.

0505

Head : 152 – Government Secretariat: Subhead (No. & title) : -
Commerce and Economic
Development Bureau
(Commerce, Industry and
Tourism Branch)

Programme : (6) Travel and Tourism

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The first berth of Hong Kong's new cruise terminal is expected to be completed in 2013? Please inform this Council the specific plans and progress the Administration has made in new market development, promotion and, in respect of software, manpower training for the cruise industry as well as the resources allocated for these areas of work?

Asked by : Hon. WONG Ting-kwong

Reply :

The Tourism Commission (TC) has been working closely with the Hong Kong Tourism Board (HKTB) and the Advisory Committee on Cruise Industry (ACCI) to develop Hong Kong into a leading cruise hub in the region.

To prepare for the commissioning of the new cruise terminal at Kai Tak in 2013, HKTB's efforts in market development and promotion in 2011-12 are as follows:

- HKTB will drive consumer demand in target visitor source markets in partnership with cruise operators and travel trade. For example, in the southern Mainland region, HKTB will target the retirees and family segment and launch consumer education and promotional activities to raise consumers' interest in cruise tourism. HKTB will also launch tactical promotion in the US, the UK, Australia and India to attract tourists to join fly/cruise itineraries to Hong Kong and to boost overnight visitor arrivals.
- In target visitor source markets, HKTB will promote cruise as a form of incentive travel to highlight Hong Kong's strengths in this area to incentive trade partners as well as companies frequently organising incentive activities.
- HKTB will intensify industry promotions and publicise the new cruise terminal, including participating in the Cruise Shipping Miami 2011 and China Cruise Industry Development Summit 2011.

- HKTB will support the Government in the development of more diversified cruise itineraries and cooperation with nearby ports in the region, as well as to drive cruise operators to develop itineraries featuring Hong Kong and these ports.

The budget for the above cruise promotions by HKTB in 2011-12 is estimated at \$5.3 million.

To facilitate the manpower development of the cruise tourism trade, TC and ACCI have implemented the action plan to launch training courses related to cruise tourism through the “Skills Upgrading Scheme (SUS)” and the Travel Industry Council of Hong Kong (TIC) since the middle of 2009, including “Introductory Course on Cruise Travel”, “Practical Skills in Servicing Cruise Travellers” and “Cruise Selling Training Course”, etc. We will closely monitor the needs of the trade and adjust the manpower development plan and the supply of training places as appropriate. We also collaborate with the Curriculum Development Institute of the Education Bureau in conducting seminars on the development of cruise tourism in Hong Kong for secondary school teachers teaching “Tourism and Hospitality Studies (THS)”, so that they can better understand cruise tourism development in Hong Kong. Last year, ACCI also started organising ship tours and experience sharing sessions with trade members for secondary school students taking THS in order to attract more young people to join the tourism industry.

Moreover, the information on cruise-related courses provided by tertiary and training institutions on the websites of TC and TIC will be updated regularly, making it easier for the trade and members of the public in selecting suitable courses. TC will continue to promote manpower development of the cruise industry in collaboration with relevant parties with its existing manpower and resources.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)139

Question Serial No.

1770

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Hong Kong Trade Development Council (HKTDC) assists Hong Kong companies to explore new opportunities in niche sectors and highlights a favourable and green image of Hong Kong products. In this connection, how is it going to enhance its efforts in assisting Hong Kong companies in organising Brand Hong Kong exhibitions in the Mainland? What are the specific work plans and estimated expenditure? If there is no such plan in hand, what are the reasons?

Asked by : Hon. WONG Ting-kwong

Reply :

The Hong Kong Trade Development Council (HKTDC) will help Hong Kong companies expand their networks, establish sales channel and seize the business opportunities in the Mainland by nurturing brands and promoting Hong Kong products. The expenditure involved will be about \$186 millions and the major activities include the following:

- organising “Style Hong Kong” shows in a number of Mainland cities (including Beijing, Chengdu and Harbin), which aim to promote Hong Kong designs and branded products directly to Mainland consumers. The concurrent business matching sessions also enable Hong Kong companies to meet potential business partners and establish sales network;
- promoting and nurturing the branding of stylish Hong Kong products among Mainland consumers through HKTDC’s Design Gallery in Beijing and its related online shop;
- organising exhibitions of specific products and short-term promotions in suitable departments stores in Mainland cities to promote Hong Kong brands;
- developing the “Hong Kong Consumer Products Expo” in Guangzhou into an annual anchor event; and

- organising Hong Kong companies to participate in Mainland consumer fairs to promote the image of Hong Kong branded product e.g. setting up Hong Kong Pavilion at the Northeast Asia Investment and Trade Expo, as well as joining the China International Clothing and Accessories Fair and the China Import and Export Fair.

Signature _____
Name in block letters Andrew HY WONG
Post Title Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)
Date 16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)140

Question Serial No.

1771

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What is the operating status of the Hong Kong Trade Development Council's Taiwan Office? What are the future plans in expanding the co-operation between Hong Kong and Taiwan on the trade and economic fronts as well as in providing assistance to trade promotion activities of Hong Kong?

Asked by : Hon. WONG Ting-kwong

Reply :

The Taiwan Office of the Hong Kong Trade Development Council (HKTDC) is established to ensure Hong Kong could grasp the business opportunities arising from the closer cross-strait economic and trade relations. It will continue to promote Hong Kong's service industry, in particular the emerging professional services, and encourage Taiwan enterprises to develop overseas and the Mainland markets by leveraging on Hong Kong's service industry.

In 2011-12, HKTDC will focus on promoting Hong Kong as the trading centre between the Mainland and Taiwan on technology as well as related services such as brand management, digital entertainment, licensing and design services, etc. Major activities include:

- encouraging more Taiwanese high-tech companies to participate in the "Inno Design Tech Expo" in Hong Kong, and build alliances with Hong Kong companies related to design, marketing and intellectual property; and
- organising tailor-made business matching activities for targeted industries, such as financial services, professional services, logistics, information technology and communication industries, in order to help Hong Kong companies develop the Taiwanese market and promote Hong Kong as the business platform for Taiwanese companies.

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)141

Question Serial No.

1775

Head : 152 Government Secretariat: Subhead
Commerce and Economic Development Bureau (No. & title) :
(Commerce, Industry and Tourism Branch)

Programme : (3) Subvention: Hong Kong Trade Development Council

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please list out the Government's provisions for the Hong Kong Trade Development Council (HKTDC) in the past five financial years (i.e. from 2006-07 to 2010-11). What is the proportion of these provisions in relations to the HKTDC's income each year?

Asked by : Hon. WONG Ting-kwong

Reply :

The Government subvention to the Hong Kong Trade Development Council (HKTDC) during 2006-07 and 2010-11 and the proportion of these subventions in relation to HKTDC's income each year are listed below –

	Financial Year				
	2006-07	2007-08	2008-09	2009-10	2010-11
Government Subvention	\$341.2 million	\$350.0 million	\$360.0 million	\$370.8 million	\$374.5 million
Percentage of Government Subvention to TDC Income	18%	18%	18%	17%	16%*

*Estimate

Signature _____

Name in block letters _____

Andrew HY WONG

Permanent Secretary for Commerce and
Economic Development

Post Title _____

(Commerce, Industry and Tourism)

Date _____

16.3.2011

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)142

Question Serial No.

1776

Head : 152 Government Secretariat:
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Subhead (No. & title) :

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please advise this Committee of the consultation schedule for the review of the Hong Kong patent system. What are the resources and expenditure involved?

Asked by : Hon. WONG Ting-kwong

Reply :

Timetable of consultation

We held a forum on 28 February this year to kick start the review of the Hong Kong patent system. Over 160 representatives from the legal, patent agency, industry, academic and scientific research-and-development sectors attended the forum. After we have collected and analyzed the preliminary views of stakeholders, we will consult the Panel on Commerce and Industry of the Legislative Council this May on the scope and direction of the review. The review may have far-reaching impact on our patent system as well as the development of innovation and technology. We will consider opinions from all fronts with a view to formulating, in about a year, the general direction for the further development of our patent system.

Resources and expenditure

The review is still at its preliminary stage. We anticipate that in the first year of the review (i.e. 2011-12), the extra work can be absorbed within our existing resources. It is difficult for us to estimate the resource and expenditure requirements beyond that.

Signature _____

Name in block letters _____ **Andrew HY WONG** _____

Post Title _____ **Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)** _____

Date _____ **16.3.2011** _____

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)143

Question Serial No.

1779

Head : 152 Government Secretariat:
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Subhead (No. & title) :

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please advise this Committee of the details on the implementation and effectiveness of the SME loan Guarantee Scheme. What are the estimated expenditure and manpower involved in 2011-12 in supporting small and medium enterprises (SMEs)?

Asked by : Hon. Wong Ting-kwong

Reply :

The SME Loan Guarantee Scheme (SGS) has come into operation since December 2001. As at the end of February 2011, SGS has approved over 23 000 applications, involving a total loan amount and total loan guarantee of \$33 billion and \$15.3 billion respectively, benefitting over 12 000 small and medium enterprises (SMEs).

In 2011-12, the estimated expenditure for the Trade and Industry Department's (TID) SME Funding Schemes (including the SME Loan Guarantee Scheme, SME Export Marketing Fund and SME Development Fund) is \$386 million. We plan to increase the total guarantee commitment under the SME Loan Guarantee Scheme substantially from \$20 billion to \$30 billion. In addition, we also plan to inject an additional \$1 billion into the SME Development Fund and SME Export Marketing Fund. As regards the Support and Consultation Centre for SMEs, the estimated expenditure for 2011-12 is about \$1.4 million. The manpower and related expenditure in relation to the relevant work have been subsumed into the establishment of and provision for the bureau and TID. It is difficult to quantify them separately.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)144

Question Serial No.

1780

Head : Head 152 - Government Secretariat: Subhead (No. & title) :
Commerce and Economic
Development Bureau (Commerce,
Industry and Tourism Branch)

Programme : (2) Commerce and Industry

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is indicated that the Administration will continue to assist the trade to adjust to changes in Mainland's policy on processing trade through industrial restructuring and upgrading, relocating their operations and opening up new markets. What are the concrete measures, and how will they be implemented? What is the estimated expenditure, and how effective were the measures taken in the past?

Asked by : Hon. WONG Ting-kwong

Reply :

Through the following work, the Commerce and Economic Development Bureau encourages and assists Hong Kong enterprises in upgrading and restructuring, relocating their operations, and opening up new markets so as to adjust to changes in the Mainland's policy on processing trade:

- maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand their concerns and views; and maintaining close liaison with the Mainland authorities at various levels (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to convey to and discuss with them the trade's views and proposed measures;
- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities like symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade's understanding of Mainland's new policies, legislation and the business environment. TID's website includes a dedicated page on business information on Mainland China, with hyperlinks to the economic and trade websites of about 190 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to trade-related information on the Mainland;

- organising promotional activities and trade fairs through the Hong Kong Trade Development Council (HKTDC), and organising delegations to visit the Mainland with a view to enhancing the trade's understanding of Mainland policies and market development;
- providing Hong Kong enterprises with support services on technological upgrading, management improvement, branding and market development, etc., and also Mainland market information through the HKTDC and the Hong Kong Productivity Council; and
- with regard to financial support, assisting small and medium enterprises (SMEs) through the "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, restructuring and business relocation.

The Mainland authorities have responded positively to many proposals of the HKSAR Government and the trade. Various facilitation measures were launched in the Mainland in 2008 and 2009, including "suspending the actual payment of standing book deposit for processing trade enterprises", "restructuring without stopping production, carrying forward without appraising the value" etc. The Guangdong Province also announced in 2009 some 30 support measures covering nine areas to help Hong Kong, Macao and Taiwan enterprises restructure and upgrade their businesses, including reduction or waiving of certain taxes and fees, implementation of "restructuring without stopping production" and "consolidated tax return for multiple domestic sales".

According to the figures of the Guangdong Provincial Government as at August 2010, there are about 15 000 enterprises engaging in processing trade (which are not legal persons), of which 1 924 have successfully restructured into one of the three types of foreign-funded enterprises without stopping production (about 90% of them are Hong Kong enterprises). The successful restructuring of these enterprises has provided favourable conditions for them to tap the Mainland domestic market.

The manpower and expenditure of the above-mentioned work have been subsumed within the establishment and provision for this Bureau and relevant departments and organisations. It is difficult to quantify them separately.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)145

Question Serial No.

1380

Head : 96 Government Secretariat: Subhead (No. & title) :
Overseas Economic and Trade Offices

Programme : (1) Commercial Relations
(2) Public Relations
(3) Investment Promotion

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Hong Kong has set up overseas Economic and Trade Offices (ETOs) in Brussels, Geneva, Berlin, London, New York, San Francisco, Washington, Singapore, Sydney, Tokyo and Toronto. Please state:

- (a) the distribution of estimates among ETOs under the Indicators in paragraphs 4, 8 and 12 for 2011-12;
- (b) the distribution of estimates among ETOs under Subhead 000 Operational expenses for 2011-12.

Asked by : Hon. IP LAU Suk-ye, Regina

Reply :

Under the 2011 Indicators as set out in paragraphs 4, 8 and 12 (i.e. in respect of commercial relations, public relations and investment promotion) of the Controlling Officer's Report and under Subhead 000 Operational Expenses for 2011-12, the distribution of estimates among ETOs are tabulated below:

	Overseas Economic and Trade Offices											
	Brussels	(1) (2) Geneva	Berlin	London	New York	San Francisco	(2) Washington	(2) Singapore	Sydney	Tokyo	Toronto	Total
<u>2011 estimate of Indicators</u>												
<i>(1) Commercial Relations</i>												
Meetings on trade-related matters attended	320	1 420	265	290	165	115	460	134	56	165	166	3 556
Visits to host governments and trade organisations	85	0	100	225	52	56	250	104	120	115	112	1 219

	Overseas Economic and Trade Offices											
	Brussels	(1) (2) Geneva	Berlin	London	New York	San Francisco	(2) Washington	(2) Singapore	Sydney	Tokyo	Toronto	Total
Seminars, exhibitions and workshops												
organised	24	0	22	16	19	16	12	5	18	15	35	182
participated	46	22	50	35	130	60	190	54	47	45	37	716
Public speeches given	24	0	38	70	34	30	38	22	41	15	75	387
Media interviews/briefings given	78	0	78	53	50	24	90	48	25	70	152	668
Circulars/newsletters/press releases issued	34	0	185	210	25	36	62	104	30	25	112	823
<i>(2) Public Relations</i>												
Call on senior government officials/organisations	435	0	160	230	44	80	245	95	140	125	156	1 710
Public relations functions/events												
organised	30	1	48	120	95	40	33	60	54	75	135	691
participated	58	1	60	225	175	52	83	93	120	90	242	1 199
Newsletters, pamphlets, press releases issued	34	0	90	210	210	171	77	91	172	25	112	1 192
Number of visitors assisted	125	60	230	480	300	160	140	160	60	250	160	2 125
Public speeches given	24	0	50	80	45	33	38	32	49	30	71	452
Media interviews/briefings given	78	0	113	61	50	65	90	55	53	70	152	787
Enquiries handled	400	4	1 250	4 200	2 800	3 655	4 000	3 530	4 400	400	13 500	38 139
<i>(3) Investment Promotion</i>												
Projects pursued	57	0	53	122	102	86	0	0	69	73	45	607
Projects completed	14	0	13	30	25	21	0	0	17	18	11	149
2011-12 estimate under Subhead 000 Operational Expenses (\$ million)	34.3	35.9	22.4	28.1	26.0	22.9	36.3	16.0	19.7	37.6	16.0	295.2

Notes:

- (1) As the role of the Geneva ETO is to represent Hong Kong as a member of the World Trade Organization, its main relevant indicator is related to meetings on trade-related matters attended.
- (2) The Washington, Geneva and Singapore ETOs are not responsible for investment promotion projects.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)146

Question Serial No.

2744

Head : 96 Government Secretariat: Subhead (No. & title) :
Overseas Economic and Trade Offices

Programme : (3) Investment Promotion

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Will the Government inform this Committee of the specific work plans and relevant estimated expenditures of the overseas Economic and Trade offices (ETOs) in the areas of promoting and encouraging foreign (particularly the Mainland and the Asia region) investments and trade?

Asked by : Hon. LAM Tai-fai

Reply :

The investment promotion units (IPUs) of Invest Hong Kong in 11 Hong Kong Economic and Trade Offices and the Beijing Office will proactively reach out to potential investors and promote the business environment of Hong Kong through organising marketing activities, conducting investment promotion visits and providing practical assistance to companies. In particular, the IPUs on the Mainland will help promote the advantages of Hong Kong being a suitable platform for Mainland companies to go global and build up their overseas operation. The IPUs will also maintain contact with the relevant government authorities and business associations to keep abreast of the latest business opportunities available in these markets.

The cost of the investment promotion activities by the overseas and Mainland IPUs in 2011-12 is around \$10.5 million and will be met under Head 79: Invest Hong Kong.

Signature _____

Name in block letters _____

Andrew HY WONG

Post Title _____

Permanent Secretary for Commerce and
Economic Development
(Commerce, Industry and Tourism)

Date _____

16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)147

Question Serial No.

0404

Head : 96 Government Secretariat: Subhead (No. & title) :
Overseas Economic and Trade Offices

Programme : (3) Investment Promotion

Controlling Officer : Permanent Secretary for Commerce and Economic Development
(Commerce, Industry and Tourism)

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The financial provision under Programme (3) for 2011-12 is \$48.5 million, 4.5% lower than the original estimate for 2010-11. Will the Administration please provide the following information:

- (a) How will the provision be used to continue to work closely with Invest Hong Kong to step up their efforts in attracting overseas companies to set up and expand their operations in Hong Kong and access opportunities on the Mainland and elsewhere in Asia; and
- (b) Why are the indicators for projects pursued and projects completed in 2011 lower than the actual figures in 2010? Is it related to the reduction in provision?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

Under this programme, the provision for 2011-12 (\$48.5 million) is \$2.3 million (4.5%) lower than the original estimate for 2010-11 (\$50.8 million) mainly due to the decreased cash flow requirement for the setting up cost for Berlin Economic and Trade Office.

The overseas Economic and Trade Offices (ETOs) will continue to work closely with Invest Hong Kong (InvestHK) to promote the advantages of Hong Kong as a regional hub and preferred business location in Asia. In 2011-12, the Investment Promotion Units (IPUs) of InvestHK in the overseas ETOs will proactively reach out to potential investors through organising marketing activities, conducting investment promotion visits and providing practical assistance to help the companies set up or expand their business in Hong Kong. The IPUs will also actively maintain contact with the relevant government authorities and business associations, and keep the headquarter in Hong Kong closely informed of the latest business opportunities available in these markets.

The higher number of projects completed and pursued in 2010 is mainly due to the cyclical fluctuation of investment flows from certain markets, and not related to the amount of financial provision. A steadier trend of projects from various markets in 2011 is anticipated.

Signature	_____
Name in block letters	Andrew HY WONG
Post Title	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Date	16.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)148

Question Serial No.

1118

Head : 22 Agriculture, Fisheries and
Conservation Department

Subhead (No. & title) :

Programme : (2) Nature Conservation and Country Parks

Controlling Officer : Director of Agriculture, Fisheries and Conservation

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The expenditure on the management of the Hong Kong Wetland Park is not specified under this Programme. Please provide the details of such expenditure in 2010-11, including the expenses on administrative management, public education, marketing and promotion, and copyright royalty on comics and animation, and the details of the estimated expenditure on the management of the Hong Kong Wetland Park in 2011-12.

Asked by : Hon. EU Yuet-mee, Audrey

Reply :

The revised estimated / estimated expenditure on the management of the Hong Kong Wetland Park for 2010-11 and 2011-12 is both \$45.5 million, breakdown as follows:

Items	Amount	
	2010-11 Revised Estimate	2011-12 Estimate
Administration (Staffing)	\$17.0 million	\$17.0 million
General operation	\$14.5 million	\$14.6 million
Public education	\$2.6 million	\$2.6 million
Marketing and promotion (including \$24,000 for copyright royalty on comics)	\$4.6 million	\$5.0 million
Exhibition maintenance	\$3.4 million	\$3.2 million
Habitat management	\$3.4 million	\$3.1 million
Total	\$45.5 million	\$45.5 million

Signature _____

Name in block letters _____

ALAN WONG

Post Title _____

Director of Agriculture, Fisheries and Conservation

Date _____

15 March 2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)149

Question Serial No.

1374

Head : 31 Customs and Excise Department Subhead (No. & title) :

Programme : (3) Intellectual Property Rights and Consumer Protection

Controlling Officer : Commissioner of Customs and Excise

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the specific measures as well as staffing provision and expenditure estimated for 2011-12 for preventing and combating illegal activities related to counterfeit wine? What were the respective figures for the targeted investigations and enforcement actions carried out each year by the dedicated investigation team responsible for such activities under the Intellectual Property Investigation Bureau of C&ED for the last three years (i.e., 2008-09 to 2010-11)? What was the effectiveness?

Asked by : Hon. CHEUNG Yu-yan, Tommy

Reply :

The Customs and Excise Department (C&ED) formed an alliance with the wine industry in October 2008, and through support from the trade, to strengthen intelligence collection and monitoring of market activities. C&ED has also established a network of contact with overseas and Mainland enforcement agencies to enhance its capability to intercept suspected counterfeit wine and verify its authenticity.

In August 2008, the Intellectual Property Investigation Bureau (IPIB) of C&ED established a 7-member investigation team (consisting of 1 Senior Inspector, 1 Chief Customs Officer and 5 Customs Officers) and provided special training for it to develop its expertise in handling counterfeit wine cases. In addition to counterfeit wine, the team is also responsible for handling trade mark infringement cases. The estimated remuneration expenditure for the team in 2011-12 is about \$2.036 million.

No counterfeit wine case was detected in the past three years (i.e. 2008-09 to 2010-11). A few reports of suspected fake wine were received but none of the subject wine was subsequently found to be counterfeit. The Department will remain vigilant and continue to monitor closely the wine market and take enforcement actions where necessary.

Signature _____

Name in block letters _____

RICHARD M F YUEN

Post Title _____

Commissioner of Customs and Excise

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)150

Question Serial No.

2949

Head : 31 Customs and Excise Department Subhead (No. & title) :

Programme : (1) Control and Enforcement

Controlling Officer : Commissioner of Customs and Excise

Director of Bureau : Secretary for Commerce and Economic Development

Question :

As mentioned in the Matters Requiring Special Attention in 2011-12, the Department will continue to encourage the industry's early migration to the electronic Road Cargo System before the use of the system is made mandatory on 17 November 2011. How much progress has been made on the registration of using the electronic Road Cargo System for the moment? Please provide details of the action plan to encourage the use of such system by the logistics and transportation industry and the expenditure involved respectively.

Asked by : Hon. LAU Kin-ye, Miriam

Reply :

As at 6 March 2011, a total of 1 248 companies have registered for the Road Cargo System as shippers or agents. Another 3 386 drivers of cross-boundary goods vehicles have also registered. There has been a significant rise in the number of registrations after the Lunar New Year. For example, in February 2011, we received registrations from 200 companies (as shippers/agents) and 254 drivers of cross-boundary goods vehicles.

To encourage the logistics and transportation industry to migrate to the system early, the Department has embarked on an extensive visit programme to introduce to the industry the operation of the new system and provide assistance for registration. The outreaching team has so far visited 4 340 companies. Besides, the Department has dispatched mobile teams to the land boundary control points to provide on-site registration for cross-boundary drivers.

The Department now organizes monthly large-scale seminars at venues including the City Hall and Hong Kong Central Library. We make use of these seminars to explain to industry practitioners the operational details of the system. We have also arranged practical courses for the practitioners to try using the system. As at 6 March, 2 680 persons have taken these courses.

Apart from placing publicity notices in local newspapers, we have sought to raise awareness among industry practitioners and drivers through announcements on television and radio (including a radio station in Shenzhen). With the assistance of the Transport Department, we will soon be sending letters to all drivers of cross-boundary goods vehicles to urge them to register and use the system early. At the same time, a customer support and service centre will be established at Tsuen Wan Government Offices from the second quarter of this year to provide one-stop registration and system trial use services.

The Department will continue to liaise closely with the industry and the relevant business associations to encourage early migration in preparation for the mandatory use of the system in mid-November this year.

The expenditure for the various publicity activities mentioned above is about \$1.63 million.

Signature _____

Name in block letters RICHARD M F YUEN

Post Title Commissioner of Customs and Excise

Date 15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)151

Question Serial No.

2789

Head : 31 Customs and Excise Department Subhead (No. & title) :

Programme : (3) Intellectual Property Rights and Consumer Protection

Controlling Officer : Commissioner of Customs and Excise

Director of Bureau : Secretary for Commerce and Economic Development

Question :

According to news reports, the United States Trade Representative released a report on the black spots for infringement of intellectual property rights around the world and the Ladies' Market in Mongkok, Hong Kong, was listed as one of the black spots. How was Customs and Excise Department's work in combating forged trademarks and piracy activities last year? At present, how many black spots of selling counterfeit and pirated goods are there in Hong Kong? What are their locations? What were the number of pirated goods seized and the number of cases in all districts last year? Was there an increasing trend? Since Customs and Excise Department employed preventive strategies to tackle the sale of pirated goods at street-level in early 2010, both the numbers of investigations and seizure cases dropped significantly. Does it reflect effective deterrence on the problem of piracy and infringement of intellectual property rights? What are the authorities' new measures in the coming year for preventing and detecting activities relating to copyright infringement and forged trademarks in order to further safeguard Hong Kong's image as a shopping paradise? Would there be increased manpower and resources for enforcement?

Asked by : Hon. LAU Kong-wah

Reply :

In 2010, the Customs and Excise Department (C&ED) continued to mount intelligence-based operations and maintain close cooperation with the industries and the law enforcement agencies of other jurisdictions in combating piracy and counterfeiting activities at all levels. The major enforcement strategies included stopping the inflow of pirated and counterfeit goods at source; taking targeted action against organised crime involving piracy and counterfeiting through persistent surveillance and in-depth investigations, complemented by intensive raids and high-profile patrols of a preventive nature against shops and stalls at black spots; and utilising new computer technologies and strengthening training with a view to tackling the ever-changing infringing activities on the Internet.

The above enforcement strategies proved to be effective in tackling infringement offences. The number of shops selling pirated optical discs at the black spots dropped to below 10 at present. The number of reports relating to piracy activities also dropped from 2 045 in 2009 to 1 264 in 2010 (i.e. by 38%). The number of cases involving piracy as detected by C&ED dropped from 6 372 in 2009 to 610 in 2010, representing a significant decrease of 90%. The quantity of seized pirated goods also decreased from 4.44 million in 2009 to one million in 2010 (i.e. a drop of 77%). The main reason for such drop is the continuous shrinking in scale of retail sale of pirated optical discs. For instance, the number of seized pirated optical disc decreased from 2.02 million in 2009 to 890 000 in 2010.

In recent years, the sale of counterfeit goods is mainly in the busy districts of Yaumatei, Tsim Sha Tsui and Mong Kok. The main target clients are tourists visiting Hong Kong. As a result of Customs' rigorous enforcement, the sale of counterfeit goods at popular tourist spots has been put under control. The illicit activities of luring customers to nearby showrooms upstairs for transactions through the display of a small quantity of goods and photographs on-street in the area of Tung Choi Street in Mong Kok (commonly known as the "Ladies' Market") have also shrunken in scale. C&ED detected 738 cases involving counterfeit goods in 2010, representing a drop of 27% when compared with 1 014 cases in 2009. At the same time, the number of reports on counterfeit goods also dropped from 2 732 in 2009 to 2 353 in 2010 (i.e 14%).

To enhance enforcement effectiveness in 2011-12, C&ED will continue to mount intelligence-based operations and intensive patrol at targeted black spots to prevent their revival. Besides, C&ED will make a special effort to combat the activities of organised syndicates controlling these shops and stalls and tackle infringement offences on the Internet. To increase efficiency of enforcement, C&ED will strengthen technological support and staff training, conduct regular reviews and flexibly deploy manpower and resources to deal with infringing activities.

Signature	_____
Name in block letters	<u>RICHARD M F YUEN</u>
Post Title	<u>Commissioner of Customs and Excise</u>
Date	<u>15.3.2011</u>

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)152

Question Serial No.

0475

Head : 31 Customs and Excise Department Subhead (No. & title) :

Programme : (3) Intellectual Property Rights and Consumer Protection

Controlling Officer : Commissioner of Customs and Excise

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the expenditure and manpower provisions involved in preventing and detecting online infringing articles for 2011-2012? What are the percentages increased/decreased when compared with the figures for the past two years? During the same period, what are the values of infringing articles for online auctions seized by the authorities? How many cases were successfully prosecuted? What were the penalties?

Asked by : Hon. LEE Wai-king, Starry

Reply :

The Customs and Excise Department has established two Anti-Internet Piracy Teams, each comprising 7 Customs officers, to combat piracy and counterfeiting activities on the Internet. The estimated expenditure on salary provision for the two teams in 2011-12 is about \$4.073 million. Due to salary adjustments, the expenditure represents a 1.3% and 0.9% increase respectively when compared with the figures for 2009-10 and 2010-11. In addition, the Department will take into account the prevalence of infringing activities on the Internet and flexibly deploy its resources in taking rigorous actions against online infringement offences.

Figures for 2009 and 2010 regarding the value of infringing articles that were put up for sale on Internet auction sites and seized by the Department, the number of successful prosecutions and the penalties imposed are as follows:

Year	2009	2010
Value of seizures involving infringing articles put up for sale on Internet auction sites	\$866,784	\$945,391
Number of successful prosecutions	23 cases	41 cases

Penalties imposed	Fine	: \$3,000-\$30,000	Fine	: \$2,000-\$25,000
	Community service order	: 60-200 hours	Community service order	: 70-240 hours
	Imprisonment	: 4-6 months	Imprisonment	: 28 days - 6 months (suspended for 2 years)

Signature _____

Name in block letters _____

RICHARD M F YUEN

Post Title _____

Commissioner of Customs and Excise

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)153

Question Serial No.

0400

Head : 31 Customs and Excise Department Subhead (No. & title) :

Programme : (3) Intellectual Property Rights and Consumer Protection

Controlling Officer : Commissioner of Customs and Excise

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The authorities will allocate \$254.8 million for intellectual property rights and consumer protection. Will the authorities advise on the following:

- (a) How to step up enforcement to combat piracy and counterfeiting activities? Please also state the manpower required and the amount of provision including the percentage of the estimated provision for the enforcement actions involved; and
- (b) What are the manpower required and the amount of provision including the percentage of the estimated provision for tackling internet and other computer crime problems relating to infringement of intellectual property rights? Please also state in detail how the provision concerned will be used.

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

- (a) In 2011-12, the Customs and Excise Department (C&ED) will continue to mount intelligence-based operations and maintain close co-operation with the industries and the law enforcement agencies of other jurisdictions in combating piracy and counterfeiting activities at all levels. The major enforcement strategies include enhancing enforcement capabilities against infringing activities on the Internet, stepping up efforts to stop the inflow of pirated and counterfeit goods, and taking targeted action against organised crimes involving piracy and counterfeiting. The enforcement work concerned requires a total of 233 staff members and the estimated expenditure of the enforcement actions involved is about \$70.904 million, representing 27.8% of the estimated provision.
- (b) C&ED has two "Anti-Internet Piracy" teams, each comprising 7 officers, specialised in tackling Internet and other computer crimes relating to infringement of intellectual property rights. The expenditure on salary provision for the two teams in 2011-12 is about \$4.073 million, representing 1.6% of the estimated provision. In respect of equipment, C&ED will continue to make use of advanced computer techniques, computer forensic and network investigation tools with a view to enhancing enforcement effectiveness. The expenditure required amounts to about \$600,000, representing 0.24% of the estimated provision. In respect of staff training, C&ED will send more investigation officers to attend courses on computer crime investigation

techniques and computer forensic examination techniques organised by local and overseas organisations. At the same time, C&ED will strengthen the exchange of experience with local and overseas enforcement agencies with a view to enhancing investigation capabilities and standards. The required expenditure is about \$400,000, representing 0.16% of the estimated provision.

Signature	_____
Name in block letters	<u>RICHARD M F YUEN</u>
Post Title	<u>Commissioner of Customs and Excise</u>
Date	<u>15.3.2011</u>

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)154

Question Serial No.

2206

Head : 31 Customs and Excise Department Subhead (No. & title) :

Programme : (3) Intellectual Property Rights and Consumer Protection

Controlling Officer : Commissioner of Customs and Excise

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the tackling of Internet piracy and other computer crime problems relating to infringement of intellectual property rights as mentioned in the Matters Requiring Special Attention in 2011-12, would the Administration please advise on the following:

- (a) How much resource will C&ED allocate to the work in this area in 2011-12? What are the expenditure and manpower involved? When compared with the past two years, what are the changes in the resources allocated by C&ED to this area, including the amount of expenditure and the number of staff? What is the reason for the changes in the resources allocated?
- (b) With regard to the changes in manpower mentioned above, in the case of an increase of manpower, what are the posts involved? Are they posts internally deployed within the Department or newly created? Are they permanent establishment? Are the staff employed on civil service terms?
- (c) What were the respective figures for Internet piracy and other computer crimes relating to infringement of intellectual property rights in the past two years?
- (d) Has C&ED carried out analysis and predictions on such crimes, for instance, predicting the possible trends of the crimes, and formulated targeted measures in order to tackle the crimes and prevent them from occurring? If so, what are the results of the analysis and predictions and what are the targeted measures? If not, what is the reason and will such analysis and predictions be carried out in the future?

Asked by : Hon. TAM Wai-ho, Samson

Reply :

- (a) and (b) The Customs and Excise Department (C&ED)'s expenditures on combating Internet piracy and other computer crimes relating to infringement of intellectual property rights for 2011-12 and the past two years are as follows:

Year	2009-10	2010-11	2011-12 (estimate)
Staffing expenditure	\$4.02 million	\$4.036 million	\$ 4.073 million

C&ED has two "Anti-Internet Piracy" teams comprising 14 officers in total. The teams specialise in tackling Internet and other computer crimes relating to

infringement of intellectual property rights. Compared with the past two years, the number of enforcement officers in 2011-12 remains unchanged. The increase in staffing expenditure is due to salary adjustment. With a view to enhancing the capacity of front-line officers in investigating technology crimes and handling digital evidence, C&ED will make use of new technology, upgrade its computer forensic and network investigation tools, strengthen staff training as well as the exchange of experience with local and overseas law enforcement agencies.

- (c) The figures on Internet piracy and other computer crimes relating to infringement of intellectual property rights in the past two years are as follows:

Year	2009	2010
Internet piracy crimes relating to infringement of intellectual property rights	55	66
Other computer crimes (mainly corporate piracy cases)	39	23

- (d) C&ED has kept Internet piracy and other computer crimes relating to infringement of intellectual property rights under close monitoring. Driven by rapid advances in technology, Internet access speed is constantly surging whilst the prices of computer hardware continue to fall. Against this backdrop, we expect that Internet infringement cases will keep rising in number and become more complicated. C&ED will strengthen its work in combating and preventing these offences through intelligence collection, close cooperation with the industries and the law enforcement agencies of other jurisdictions, application of cutting-edge investigation technology, and the development of computer systems for monitoring and tracing crime information.

For instance, having regard to the Internet's mode of operation round-the-clock, C&ED introduced the "Lineament Monitoring System I" and "Lineament Monitoring System II". The two systems constantly monitor "peer-to-peer" infringing activities on the Internet and the sale of infringing goods on online auction sites respectively, thus enabling the department to significantly improve enforcement effectiveness in tracking down suspected infringing activities. Besides, in view of the ever-changing modes of infringement on the Internet, C&ED has established dedicated teams (including the Computer Analysis and Response team, the Computer Forensic Laboratory and the Anti-Internet Piracy teams) which specialise in combating these offences. C&ED will strengthen staff training to enhance enforcement capabilities and efficiency.

Signature _____

Name in block letters RICHARD M F YUEN

Post Title Commissioner of Customs and Excise

Date 15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)155

Question Serial No.

0772

Head : 31 Customs and Excise Department Subhead (No. & title) :

Programme : (3) Intellectual Property Rights and Consumer Protection

Controlling Officer : Commissioner of Customs and Excise

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to false trade descriptions and mis-statements in respect of goods, will the authorities answer the following:

- (a) How many enforcement operations did the authorities carry out in 2010-11? What were the main target trades or shops? What was the number of prosecuted cases as a result of the operations?
- (b) What are the implementation details of the policies and estimate of expenditure on this issue for 2011-12?
- (c) How will the authorities tackle false trade descriptions and mis-statements on Internet trading platforms?

Asked by : Hon. WONG Kwok-hing

Reply :

- (a) In 2010-11, the Customs and Excise Department (C&ED) conducted a total of 4 261 inspections of retail shops under the Trade Descriptions Ordinance, including shops selling jewels and gold ornaments (1 310 inspections), dried seafood and Chinese herbal medicines (635 inspections) and electronic goods (203 inspections), to ensure that the industries complied with the legal requirements. In the same year, C&ED investigated 756 cases involving suspected false trade descriptions. Of the 561 investigations completed, 65 cases resulted in prosecutions and convictions, with fines imposed ranging from \$1,000 to \$120,000. Of the convicted cases, 4 defendants were subject to penalties such as imprisonment (suspended sentence) or community service orders or were bound over to be of good behaviour by entering into their own recognizance, in addition to fines.
- (b) In 2011-12, C&ED will step up inspections of retail shops, combating especially those unscrupulous shops and follow up on reports and complaints proactively. Emphasis will be placed on inspections of shops in tourist areas and more spot checks on relevant products will be conducted during long holidays to protect the consumer rights of tourists. In addition, C&ED will strengthen training for front-line enforcement officers to enhance their knowledge of regulated goods and their enforcement skills. In order to crack down on unfair trade practices, C&ED will continue to cooperate with the Police, the Consumer Council, the Travel Industry Council, the Hong Kong Tourism Board and

associations of the retail industry, step up publicity for and education about consumer rights and encourage the public and tourists to cooperate with the authorities. At present, the number of staff in C&ED responsible for tackling false trade descriptions and mis-statements is 86 and the total salary provision concerned amounts to about \$34 million.

- (c) Unlawful acts of false trade descriptions and mis-statements may occur in different sales channels, including the increasingly popular online trading platforms. Always concerned about the situation, C&ED spares no effort in combating these illegal acts. Irrespective of the sales channels in which such illegal acts take place, C&ED proactively carries out follow-up actions and investigations through information collection and intelligence analysis in accordance with the law.

In 2010, C&ED received a total of 8 complaints about online transactions which involved suspected false trade descriptions. Among them, the investigations into 4 complaints have been completed and the rest are still in progress. Of the investigations completed, no further action could be taken in 3 cases because there was no way to trace the sellers or goods concerned. For the remaining case, there was no evidence upon investigation to indicate contravention of the relevant law.

Signature _____

Name in block letters RICHARD M F YUEN

Post Title Commissioner of Customs and Excise

Date 15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)156

Question Serial No.

0495

Head : 31 Customs and Excise Department Subhead (No. & title) :

Programme : (3) Intellectual Property Rights and Consumer Protection

Controlling Officer : Commissioner of Customs and Excise

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the expenditures on the promotion of public/traders' awareness of intellectual property rights and consumer protection legislation through publicity programmes by the Department in 2011-2012? What kinds of publicity programmes will be involved? What are the specific publicity programmes targeted at Small and Medium Enterprises (SME)? How much resources will be allocated?

Asked by : Hon. WONG Ting-kwong

Reply :

In order to promote awareness of and respect for intellectual property rights (IPR) among the public and the industry, the Department will continue to implement the following major programmes in 2011-12:

- (i) **the "IPR Protection Alliance"**: riding on the participation of IPR-related stakeholders, the initiative aims at enhancing awareness of IPR among the public as well as the industrial and commercial sectors (including SMEs), and facilitating cooperation among various sectors in combating infringement and piracy offences. Highlights of the programmes include:
- holding seminars jointly with other organisations, such as the "Hong Kong Brands Protection Alliance", with a view to enhancing awareness among SMEs;
 - arranging, at the venue of major exhibitions organised by the Trade Development Council and other organisations, seminars on IPR subjects for the purpose of elucidating provisions in the law; and
 - organising exchange programmes with a view to strengthening collaboration between the law enforcement agencies and the industry so as to further promote a strategic partnership in combating infringing activities and piracy at all levels.

- (ii) **the “Youth Ambassador Against Internet Piracy” scheme:** through the scheme, we enlist support from members of 11 local Youth Uniform Groups in combating online infringing activities, thus helping to uphold a positive attitude among the younger generation towards the protection of IPR.

The above programmes not only help strengthen collaboration between the Department and the industry, they also serve to promote awareness of IPR in the community as well as the industrial and commercial sectors. Similar to last year, the estimated expenditure for implementing the above programmes in 2011-12 is about \$400,000.

The Department attaches great importance to promotional, publicity and educational activities on consumer protection legislation. Aggrieved consumers may make use of the complaint channels which the Department has established to report cases and seek redress.

As regards publicity, the Department briefs the trade on legislative requirements to facilitate compliance through promotional pamphlets, seminars for the trade and announcements of Public Interest. In addition, during regular inspections, officers of the Department also exchange views with the trade on matters of mutual concern.

Since mid-2010, the Department has organised seminars for teachers and parents to enhance public awareness of product safety and provide information to assist the public in selecting safe products, including parents shopping for the next generation. The Department provides practical information and tips on its website to draw the attention of consumers to points to note and assist them in avoiding scams or unfair treatment in transactions. Expenses on the above publicity and educational activities have been subsumed under the provision for the Department. It is difficult to quantify them separately.

Signature	_____
Name in block letters	<u>RICHARD M F YUEN</u>
Post Title	<u>Commissioner of Customs and Excise</u>
Date	<u>15.3.2011</u>

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)157

Question Serial No.

0496

Head : 31 Customs and Excise Department Subhead (No. & title) :

Programme : (3) Intellectual Property Rights and Consumer Protection

Controlling Officer : Commissioner of Customs and Excise

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Due to the rapid evolution of information technologies, there is an increasing number of cases related to internet crimes. Will the Department allocate additional resources to combat internet piracy and other computer crime problems relating to infringement of intellectual property rights? If yes, what are the detailed plans? If no, what are the reasons? Will the Department enhance training for professionals who are specialized in tackling computer crimes? What is the expenditure involved? If no, what are the reasons?

Asked by : Hon. WONG Ting-kwong

Reply :

In order to enhance efficiency in combating Internet piracy and other computer crimes relating to infringement of intellectual property rights, the Customs and Excise Department will strengthen its work in areas including equipment support, training and staff deployment in 2011-12. Details are as follows:

- (a) **Equipment support:** the Department will continue to make use of new technology for enhancing its capacity in handling computer forensic work as well as in detecting and deterring infringing activities on the Internet. For example, the Department rolled out the "Lineament Monitoring System II" in 2010 to conduct round-the-clock surveillance targeted at the sale of infringing articles through Internet auction sites. The system will store digital evidence about suspected infringing activities automatically for possible future use as court evidence;
- (b) **Training:** the Department will send more Internet investigation officers to attend courses on computer crime investigation techniques and computer forensic examination techniques organised by local and overseas organisations. At the same time, the Department will strengthen in-house training as well as the exchange of experience with local and overseas law enforcement agencies with a view to enhancing the capacity of front-line officers in investigating technology crimes and in handling digital evidence. The expenditure involved is about \$400,000; and

- (c) **Staff deployment:** the Department has established two “Anti-Internet Piracy” teams comprising 14 officers in total. We will flexibly deploy manpower, depending on the prevalence of online infringing activities. The Department will also strengthen the exchange of intelligence with overseas law enforcement agencies as well as the analysis of intelligence; and maintain close liaison with the relevant industry in the interest of enhancing the effectiveness of our enforcement work.

Signature	_____
Name in block letters	_____ RICHARD M F YUEN _____
Post Title	_____ Commissioner of Customs and Excise _____
Date	_____ 15.3.2011 _____

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)158

Question Serial No.

2735

Head : 78 Intellectual Property Department Subhead (No. & title) :

Programme : (2) Protection of Intellectual Property

Controlling Officer : Director of Intellectual Property

Director of Bureau : Secretary for Commerce and Economic Development

Question:

It is mentioned under “Matters Requiring Special Attention in 2011-12” that the Intellectual Property Department will support the business community in strengthening their IP protection in the Mainland through the “Guangdong/Hong Kong Expert Group on the Protection of IP Rights”. What specific measures with implementation schedule have been included and what is the amount of expenditure involved for each measure respectively?

Asked by: Hon. LAM Tai-fai

Reply:

The Intellectual Property Department (IPD) conducts promotion and publicity activities in collaboration with intellectual property (IP) departments of Guangdong on a regular basis under the framework of the “Guangdong/Hong Kong Expert Group on the Protection of IP Rights”. Cooperation items include the organisation of symposia and talks on specific topics and regular efforts to enrich the contents of our IP database and websites¹, with a view to helping the business community (including Hong Kong small and medium enterprises operating in the Mainland) better understand legal provisions pertaining to the protection of intellectual property rights. For instance, in late 2010, we have added to the database and websites information about the merits of the “Guangdong Provincial Famous Trademarks” scheme. In 2011, we will also add further information about IP enforcement in Guangdong, Hong Kong and Macao to the database and websites.

The two sides also jointly organise exchange programmes from time to time to facilitate networking between the local business sector and IP practitioners in the Mainland. In 2011-12, we will set aside some \$80,000 for a number of activities in collaboration with the Guangdong side. These include:

- Guangdong/Hong Kong exchange programme for enterprises in the copyright industry, scheduled to be held in Hong Kong in April 2011; and
- “Seminar on Intellectual Property and the Development of Small and Medium Enterprises” scheduled to be held in Zhaoqing, Guangdong in June 2011.

Furthermore, subject to enactment of the Trademark Law (the Third Amendment) of the Mainland in 2011-12, we plan to hold a seminar in Hong Kong for apprising industry players about the new law. We have set aside some \$220,000 for staging this seminar.

¹ Examples include the Intellectual Property Database for Guangdong, Hong Kong and Macao <www.ip-prd.net>, the Mainland Enterprises Corner <www.ipd.gov.hk/eng/mainland_networking.htm> and the Guangdong/Hong Kong IP Cooperation Corner <http://www.ipd.gov.hk/eng/ip_cooperation_corner.htm>.

Signature _____

Name in block letters Stephen SELBY

Post Title Director of Intellectual Property

Date 15.3.2011

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)159

Question Serial No.

1383

Head : 78 Intellectual Property Department

Subhead (No. & title) :

Programme : (1) Statutory Functions

Controlling Officer : Director of Intellectual Property

Director of Bureau : Secretary for Commerce and Economic Development

Question:

While the estimated financial provision for this programme amounts to \$74.8 million in 2011-12 which is 3.5% higher than the revised estimate for 2010-11, and the Intellectual Property Department pledges to continue to meet the challenges associated with the increased filing of trademark applications in the provision of quality registration services to the public, it is anticipated that there will be a drop across the board for indicators concerning trademarks under the Trade Marks Ordinance, patents under the Patents Ordinance, designs under the Registered Designs Ordinance and copyright licensing bodies under the Copyright Ordinance in 2011. Would the Department advise on the reasons for that?

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

Providing quality and responsive trademark, patent and designs registration services to the public is one of the missions of the Intellectual Property Department (IPD). The estimated financial provision of \$74.8 million for statutory functions under programme (1) is \$2.5 million (3.5%) higher than the revised estimate for last year. This is mainly due to the full-year effect of filling vacancies, salary increments for existing staff and the upgrading of two Senior Solicitor posts in the Hearings Team to Assistant Principal Solicitor posts to strengthen the Department's capacity in the discharge of its quasi-judicial function. The increase does not involve any manpower growth of Intellectual Property Examiners in the Registries. Taking into account the workload and manpower of the Registries, we have made a more pragmatic forecast for the 2011 indicators. Apart from processing new applications, the Trade Marks Registry, Patents Registry and Designs Registry under IPD also have to handle applicants' representations and replies, and deal with post-registration issues such as assignments. With the number of applications and post-registration cases spiraling, the workload in this regard also increases continuously.

As regards the registration of copyright licensing bodies, by end-2010, five major copyright licensing bodies in the music and publishing industries have been registered with the Copyright Licensing Bodies Registry. IPD has not been informed of any application to be filed by other copyright licensing bodies in 2011. Therefore, no new case is anticipated for both “application received” and “application successfully registered”.

Signature _____

Name in block letters Stephen SELBY

Post Title Director of Intellectual Property

Date 15.3.2011

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)160

Question Serial No.

3221

Head : 78 Intellectual Property Department Subhead (No. & title) :

Programme :

Controlling Officer : Director of Intellectual Property

Director of Bureau : Secretary for Commerce and Economic Development

Question:

Regarding the estimates of expenditure of the information technology management unit of the department:

- a. What is the estimated expenditure for 2011-12? What is the change compared with the actual expenditure for 2010-11? What account for this change in expenditure?
- b. What specific initiatives are involved in the estimates of expenditure for 2011-12? Which of them are ongoing and new initiatives respectively? What are the staff number, cost and implementation timetable of each initiative? Among the staff involved, how many of them are civil servants, non-civil service contract staff and outsourced staff respectively?
- c. Have any funds been reserved for promoting computerised civic participation and access to public information? If yes, what are the specific details, including the titles and particulars of the initiatives, the manpower and cost involved, and the implementation timetable? If not, what are the reasons and will consideration be given to introducing the initiatives in the future?
- d. What are the permanent establishment and the number of existing staff and vacancies of the information technology unit? Is manpower expected to increase in the coming year? If yes, how many additional posts will be created? What ranks will be involved? Will they be permanent posts? Will they be appointed on civil service terms? If there will be no increase in manpower, what are the reasons?
- e. Has there been any comprehensive review of the effectiveness of the information and technology unit? If yes, what are the results and the specific improvement measures involved? If not, what are the reasons and will a review be conducted in the future?

Asked by: Hon. TAM Wai-ho, Samson

Reply:

- a. Information technology (IT) services in IPD are provided by a contractor. The estimated expenditure for the relevant services provided by the contractor and for the procurement of IT equipment, etc is \$9.291 million in 2011-12. The above represents a 9.4% decrease from the estimated actual expenditure in 2010-11 at \$10.256 million. The main reasons for the decrease are as follows : the higher expenditure in 2010-11 involved one-off expenses incurred in (i) upgrading two IT systems and (ii) making a back payment to the contractor for an increase in service charge due to changes in the consumer price index as stipulated in the contract.

- b. The IT items to be pursued in 2011-12 are of an on-going nature, mainly involving the management, maintenance and support of existing systems. The work is undertaken by seven staff members of the contractor.

Apart from the expenses under Head 78 of the Department, we will implement the following computerisation project under Head 710 A007GX of the Capital Works Reserve Fund in 2011-12:

Item	Manpower Requirement in 2011-12			Estimated Expenditure for 2011-12	Implementation Timetable
	Civil Servant	Non-civil Service Contract Staff	Outsourced Staff		
Revamp of Network Infrastructure for the IPD	-	-	-	\$3.482 million	2011-12 to 2013-14

- c. The IPD has been proactively providing various e-services since 2003. These include online search for trademark, patent and design records, online publication of public notices, e-filing of applications, and so on. Since the relevant services and information have been fully computerised, there is no plan to roll-out any new e-services at the moment.
- d. Our IT services will continue to be provided by the contractor. A total of seven outsourced staff members namely one senior project manager, two system analysts, one programmer and three operators are involved. The department will work on one new project in the coming year. As the project has yet to call for tender, manpower involved is not available at this stage.
- e. As set out in the contract between the IPD and the contractor, a management committee composed of management-level representatives from the two parties meets regularly to review the effectiveness and service standards of the IT unit. To gauge the quality of services provided, an annual "Customer Satisfaction Survey" is conducted both internally and externally in accordance with the contract. These surveys aim at ensuring service effectiveness and enhancing service quality. Overall speaking, the services provided by the contractor have met the requirements of the department and the users.

Signature _____

Name in block letters Stephen SELBY

Post Title Director of Intellectual Property

Date 15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)161

Question Serial No.

3481

Head : 79 – Invest Hong Kong

Subhead (No. & title) : SH 000 Operational Expenses

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is indicated under this programme that research capabilities will be strengthened and enhanced in 2011-12. Would the Administration state clearly the plans and details of the research projects to be conducted in the coming financial year, and the estimated expenditure to be involved?

Asked by : Hon. CHAN Tanya

Reply :

In 2011-12, the Research and Knowledge Management Team of Invest Hong Kong (InvestHK), which undertakes research to cater for the development needs of the Department, will continue to enhance its service offering and strategic focus. In the coming year, the Research and Knowledge Management Team will research into business opportunities in target sectors as well as the latest economic developments in competing economies to help identify and promote Hong Kong's comparative edges. The team will also broaden the information source of sector-specific developments, corporate expansion plans and up-to-date business information so as to provide more comprehensive analysis. With this enhanced research capability, InvestHK can better provide aftercare services and support to clients, and assist them in expanding or upgrading their operations in Hong Kong.

The estimated expenditure involved in 2011-12 is around \$1.5 million.

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

11.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)162

Question Serial No.

3482

Head : 79 – Invest Hong Kong

Subhead (No. & title) : SH 000 Operational Expenses

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the enhancement of research capabilities, will the Administration conduct studies on issues of concern of overseas investors (for example, the quality of life and business environment in Hong Kong) to strengthen its investment promotional efforts and provide relevant advice to policymakers of the Government? If yes, what are the action plan and the estimated expenditure? If no, what are the reasons?

Asked by : Hon. CHAN Tanya

Reply :

In 2011-12, the Research and Knowledge Management Team of Invest Hong Kong (InvestHK) will focus on examining the business opportunities for inward investment in target sectors and benchmarking Hong Kong against competing economies.

To solicit views of the regional operations of overseas, Mainland and Taiwan companies on the business environment of Hong Kong, InvestHK and the Census and Statistics Department will continue to collaborate in conducting the “Annual Survey of Companies in Hong Kong Representing Parent Companies Located outside Hong Kong”. The survey provides useful information on the profile of these corporations and the priorities they accord to the advantages of Hong Kong as an international business hub. In 2011-12, the estimated cost of this survey for InvestHK is around \$500,000.

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

11.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)163

Question Serial No.

3483

Head : 79 – Invest Hong Kong

Subhead (No. & title) : SH 000 Operational
Expenses

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

In recent years, the Middle East has become an emerging investment market with substantial capital being injected into various markets around the world. The Government has also proposed developing the market for Islamic financial products. What are the details of the Government's work targeting at investment promotion in the Middle East and the expenditure so incurred in 2010-11?

Asked by : Hon. CHAN Tanya

Reply :

In 2010-11, Invest Hong Kong (InvestHK) conducted various investment promotion (IP) visits to target cities in the Middle East including Kuwait City, Dubai, Abu Dhabi and Tel Aviv to promote Hong Kong's business-friendly environment and enduring advantages as an international financial centre, with a view to attracting major companies there to establish business operations in Hong Kong. It also organised various promotional events, including a joint promotion seminar in Tel Aviv in collaboration with Guangzhou in June 2010, to promote the combined advantages of Hong Kong and the Mainland. In order to help reach out to more companies in the Middle East market, InvestHK headquarters has engaged an Arabic-speaking staff in addition to the consultant in Israel.

The expenditure for conducting IP activities in the Middle East in 2010-11 is around \$0.3 million. The figure does not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

11.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)164

Question Serial No.

3484

Head : 79 – Invest Hong Kong

Subhead (No. & title) : SH 000 Operational Expenses

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the investment promotion plans, specific projects and estimated expenditure in 2011-12 with regard to the investment promotional efforts in the Middle East?

Asked by : Hon. CHAN Tanya

Reply :

In 2011-12, Invest Hong Kong (InvestHK) will continue its promotional efforts in the Middle East to encourage and assist companies from this region to set up their operations in Hong Kong. These include conducting investment promotion visits to target cities including Abu Dhabi and Tel Aviv, and organising seminars to promote Hong Kong's business-friendly environment as well as its position as an international asset management hub and China's global financial centre. The estimated expenditure for conducting these activities in the Middle East in 2011-12 is around \$0.3 million. This figure does not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

11.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)165

Question Serial No.

1381

Head : 79 – Invest Hong Kong

Subhead (No. & title) :

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please outline the details and effectiveness of the “On Your Marks, Get-set, Go!” campaign in 2010-11 and the action plan of Invest Hong Kong in 2011-12 in respect of such campaign.

Asked by : Hon. IP LAU Suk-ye, Regina

Reply :

In 2010-11, Invest Hong Kong (InvestHK) continued with the nationwide marketing campaign, “On Your Marks, Get-set, Go!”, in Guangdong and Liaoning provinces. The campaign, launched in 2007, aimed at encouraging and assisting more Mainland companies in seven target provinces to establish a presence in Hong Kong. In the past year, InvestHK organised a series of high-level seminars and sector-focused workshops in Shenyang as well as the high-growth cities in the Greater Pearl River Delta Region including Guangzhou, Shenzhen, Foshan and Zhuhai. The campaign is useful in actively reaching out to privately-owned companies on the Mainland with the potential to set up in Hong Kong and generating prospective projects. It has also enhanced awareness of the services provided by InvestHK amongst the Mainland companies. In this regard, the number of completed Mainland projects of InvestHK has increased from 41 in 2006 to 52 in 2010, while the number of new jobs created, within the first year of establishment or expansion of these Mainland companies, has also increased from 306 in 2006 to 682 in 2010. The first phase of the marketing campaign was completed in 2010-11.

In 2011-2012, InvestHK will continue with its investment promotion efforts to attract Mainland companies to set up or expand their operations in Hong Kong and to provide these companies with the necessary support to expand internationally using Hong Kong as their gateway. Priority will be accorded to Mainland cities with high-growth potential including Suzhou, Tianjin, Guangzhou, Ningbo, Qingdao, Changsha and cities in the Greater Pearl River Delta Region. The promotional programme will feature a series of high-level seminars, sector-focused workshops, incoming study missions, and investment promotion meetings supported by advertising and public relations campaigns.

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

11.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)166

Question Serial No.

1382

Head : 79 – Invest Hong Kong

Subhead (No. & title) :

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please tabulate and set out the details and effectiveness of the integrated campaign co-organised by Invest Hong Kong and the Financial Services and the Treasury Bureau in key financial markets such as London and New York in 2010-11 to promote Hong Kong as a global financial centre and asset management hub.

Asked by : Hon. IP LAU Suk-ye, Regina

Reply :

In collaboration with the Financial Services and Treasury Bureau, and supported by the Securities and Futures Commission and the Hong Kong Monetary Authority, Invest Hong Kong launched an integrated marketing campaign in 2010-11 to promote Hong Kong as a global financial centre and asset management hub. The campaign, supported by marketing activities, features a series of high-level conferences in leading financial centres such as London and New York. Details of the campaign are tabulated as follows –

Campaign	London	New York
Time	November 2010	March 2011
Details	<ul style="list-style-type: none">• A seminar comprised panel discussions by distinguished speakers from the financial services industry in Hong Kong, focusing on Hong Kong as a gateway between the Mainland and the world and as Asia's asset management hub.• The campaign included promoting Hong Kong as China's global financial centre through an advertising campaign in leading publications and their digital platforms including the Financial Times, the Banker, Euromoney and the Economist.	<ul style="list-style-type: none">• A seminar comprised panel discussions with distinguished speakers.• An advertising campaign was launched in New York in February 2011 in leading publications including Barron's, Euromoney and digital advertising on Wall Street Journal and Institutional Investors, to raise awareness of Hong Kong as China's global financial centre amongst major financial institutions.

Attendance	More than 250 senior executives from the financial services sector attended.	More than 200 senior executives from the financial services sector attended.
Effectiveness	The campaign has enhanced the awareness of Hong Kong as an international financial centre and generated a number of prospects and leads in the financial services sector.	

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

11.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)167

Question Serial No.

1714

Head : 79 – Invest Hong Kong

Subhead (No. & title) :

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

What are the reasons for creating 2 directorate posts in 2011-12?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply :

Invest Hong Kong does not have any plan to create any directorate post in 2011-12 in addition to the two civil service directorate posts currently in the Department.

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

11.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)168

Question Serial No.

2732

Head : 79 – Invest Hong Kong

Subhead (No. & title) :

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question:

As mentioned in “Matters Requiring Special Attention in 2011-12”, Invest Hong Kong will launch investment promotional efforts, in particular on the Mainland, in Taiwan and other emerging markets such as India, Middle East, Russia and South America. Will the Administration please provide a list of the specific plans and breakdown of expenditure involved for each emerging market?

Asked by : Hon. LAM Tai-fai

Reply:

In 2011-12, Invest Hong Kong (InvestHK) will conduct investment promotion (IP) activities and provide various services to attract more companies from the emerging markets to set up or expand their operation in Hong Kong. It will continue its promotional efforts in target cities of emerging markets like Russia, India, the Middle East and South America, placing particular focus on attracting companies with sizable international operations, through a series of IP visits and seminars on the business environment of Hong Kong. InvestHK will also conduct a joint promotion seminar with Zhuhai in South America in the first half of 2011 to promote the combined advantages offered by the economic integration of Hong Kong and the Mainland.

Detailed breakdown of the estimated expenditure in 2011-12 for conducting IP activities in the emerging markets are as follows –

Emerging Market	Estimated expenditure in 2011-12 (HK\$ million)
India	0.83
Russia	0.64
Middle East	0.29
South America	0.89

The above figures do not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

Signature

Name in block letters

Post Title

Date

SIMON GALPIN

Director-General of Investment Promotion

11.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)169

Question Serial No.

2733

Head : 79 – Invest Hong Kong

Subhead (No. & title) :

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is mentioned under “Matters Requiring Special Attention in 2011-12” that Invest Hong Kong will continue the joint overseas marketing activities with Pearl River Delta cities. Could the Administration list out the specific plans of the activities and the amount of expenditure to be involved?

Asked by : Hon. LAM Tai Fai

Reply :

In 2011-12, Invest Hong Kong will organise investment promotion activities (including seminars) in overseas markets jointly with Guangdong Province and cities in the Pearl River Delta region to promote the combined advantages of Hong Kong and the Mainland. Details of these activities are as follows:

Time	Destination	Partner
May 2011	Bogota and Sao Paulo	Zhuhai
June 2011	Copenhagen and Munich	Shenzhen
Late 2011	Warsaw	Guangdong province

The total estimated expenditure of these joint overseas activities is about \$2.5 million.

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

11.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)170

Question Serial No.

2734

Head : 79 – Invest Hong Kong

Subhead (No. & title) :

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Under Matters Requiring Special Attention in 2011-12, it is stated that invest Hong Kong will organise integrated marketing campaigns with an emphasis on the financial services and creative industries sectors. Would the Administration inform this Committee of the reasons for placing emphasis on promoting these two sectors, the specific planned activities and the expenditure involved?

Asked by : Hon. LAM Tai-fai

Reply :

Hong Kong's status as an international asset management hub and China's offshore Renminbi centre offers excellent opportunities for overseas investors in the financial services sector. Further, we anticipate that more overseas companies in the creative industries will be attracted to set up their business here as Hong Kong emerges as the region's arts and culture hub. Hence, in 2011-12 Invest Hong Kong (InvestHK) will organise integrated marketing campaigns with an emphasis on the financial services and creative industries sectors.

In the coming year, InvestHK will promote the opportunities in these two sectors through conducting investment promotion visits to target markets such as the Mainland, South Korea, Europe and Taiwan, in order to reach out to companies with the potential to set up business in Hong Kong. It also plans to sponsor targeted events locally and overseas to raise Hong Kong's profile as an international financial centre and the region's culture hub. A financial services seminar to promote Hong Kong as China's Global Financial Centre overseas is also under planning. The estimated cost of these initiatives is around \$1.5 million.

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

11.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)171

Question Serial No.

0197

Head : 79 – Invest Hong Kong Subhead (No. & title) :

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

How did and how will Invest Hong Kong utilise and allocate provisions in 2010-11 and 2011-12 to:

- (a) provide one-to-one advisory service to support companies throughout the planning and execution of their expansion in Hong Kong; and
- (b) provide aftercare support service to companies already established in Hong Kong, including the types of services provided and utilisation of such services. How will Invest Hong Kong strengthen aftercare support with enhanced research capabilities in the coming year?

Asked by : Hon. LEUNG Kwan-yuen, Andrew

Reply :

In 2010-11, Invest Hong Kong (InvestHK) provided one-to-one advisory service and practical support for overseas and Mainland companies to assist them in expanding their operations in Hong Kong throughout their planning and implementation process. Dedicated investment promotion staff at InvestHK's Head Office and its overseas representatives were assigned to individual companies to provide a range of customised services to facilitate their setting up and expansion in Hong Kong. These include analysis of sector-specific business opportunities and developments, advice on suitable accommodation, liaison with government departments on processing of licences and visa applications, etc. to facilitate their business expansion. The same approach will be followed in 2011-12.

Provision of aftercare services is an important dimension of InvestHK's work to help retain investment in Hong Kong. In 2010-11, InvestHK provided a wide range of aftercare services, including regular visits to overseas and Mainland companies already set up in Hong Kong to better understand their aftercare needs. It also offered assistance in visa applications as well as placement in international schools for accompanying children of expatriate employees when these companies expand their business in Hong Kong. As part of its efforts to deliver aftercare support services, InvestHK also organised sector-focused events to update companies on market opportunities in the specific sectors, provide networking opportunities for existing overseas and Mainland enterprises, and strengthen the relationship with these companies. In 2011-12, with strengthened research capabilities upon the establishment of the Research and Knowledge Management Team, InvestHK would be able to strengthen its aftercare support

services for companies with particular regard to strategic sectors where Hong Kong has clear advantages. In the coming year, the Research and Knowledge Management Team will research into business opportunities in target sectors as well as the latest economic developments in competing economies to help identify and promote Hong Kong's comparative edges. The team will also broaden the information source of sector-specific developments, corporate expansion plans and up-to-date business information so as to provide more comprehensive analysis. With this enhanced research capability, InvestHK can better support aftercare clients to expand or upgrade their operations in Hong Kong.

InvestHK has been providing the above one-to-one advisory service and aftercare support through internal redeployment of existing resources.

Signature	_____
Name in block letters	<u>SIMON GALPIN</u>
Post Title	<u>Director-General of Investment Promotion</u>
Date	<u>11.3.2011</u>

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)172

Question Serial No.

0971

Head : 79 – Invest Hong Kong

Subhead (No. & title) :

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

According to the Finance Committee paper FCR(2007-08)43, dated 11 January, 2008, a special grant of \$100 million would be applied to the work of InvestHK over three years ending 31 March, 2011, in order to boost investment promotion work. This commitment followed a special grant of \$200 million over five years, approved by the Finance Committee in June 2003, in order to accelerate Hong Kong's recovery after SARS.

In the Estimates under Operating Account, Recurrent, it is stated that: "Provision of \$110,647,000 under Subhead 000 Operational expenses is for the salaries, allowances and other operating expenses of Invest Hong Kong. The increase of \$30,446,000 (38%) over the revised estimate for 2010-11 is mainly due to the increased provision to regularise the non-recurrent funding for sustaining the momentum of investment promotion work as from 2011-12 after the non-recurrent commitment was exhausted in 2010-11."

Please advise whether InvestHK will be submitting a separate request to the Finance Committee in order to confirm this 38% increase in recurrent operating expenditure.

Asked by: Hon. LI Kwok-po, David

Reply :

The Finance Committee of the Legislative Council approved a total non-recurrent funding of \$300 million to Invest Hong Kong (InvestHK) for the period from 2003-04 to 2010-11 to enhance its investment promotion efforts. In view of the depletion of the non-recurrent commitment in 2010-11, the Administration is proposing in the Estimates of Expenditure 2011-12 to allocate additional provision to regularise the annual funding for InvestHK to continue with its investment promotion work in 2011-12. Subject to approval of the Legislative Council of the Estimates for 2011-12, it is not necessary for InvestHK to make a separate submission to the Finance Committee for the proposed increase in recurrent operating expenditure.

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

11.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)173

Question Serial No.

0972

Head : 79 – Invest Hong Kong

Subhead (No. & title) :

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Please advise the total value of all contracts entered into with outside parties by InvestHK during 2010-11 for consultancy studies related to investment promotion, and the subject matter covered by each of the consultancy studies. Please also advise this Committee of the total value of such consultancy contracts budgeted for 2011-12, as well as the projected areas of study.

Asked by: Hon. LI Kwok-po, David

Reply :

Invest Hong Kong did not conduct any consultancy studies related to investment promotion in 2010-11 and does not have any plan to conduct any of these studies in 2011-12.

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

11.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)174

Question Serial No.

3222

Head : 79 – Invest Hong Kong

Subhead (No. & title) :

Programme : Investment Promotion

Controlling Officer : Director-General of Investment Promotion

Director of Bureau : Secretary for Commerce and Economic Development

Question:

Regarding the estimates of expenditure of information technology management unit of the department:

- (a) What is the estimated expenditure in 2011-12? What is the rate of change as compared with the actual expenditure in 2010-11? What account for this percentage change in expenditure?
- (b) What specific projects are included in the estimates of expenditure 2011-12? Which of them are on-going projects and new initiatives respectively? What are the staff number, cost and implementation timetable of each initiative? Among the staff involved, how many of them are civil servants, non-civil service contract staff and staff of outsourced services respectively?
- (c) Whether funds have been reserved for promoting civic participation and public sector information access? If yes, what are the specific details, including the titles and particulars of the initiatives, the manpower and cost involved, and the implementation timetable? If not, what are the reasons and will consideration be given to introducing the initiatives in the future?
- (d) What are the permanent establishment, the number of existing staff and vacancies of the information technology unit? Is manpower expected to increase in the coming years? If yes, how many additional posts will be created? What ranks will be involved? Will they be permanent posts? Will they be appointed on civil service terms? If there will be no increase in manpower, what are the reasons?
- (e) Has there been any comprehensive review of the effectiveness of the information and technology unit? If yes, what are the results and the specific improvement measures involved? If not, what are the reasons and will a review be conducted in the future?

Asked by: Hon. TAM Wai-ho, Samson

Reply :

- (a) The estimated expenditure for the Information Technology Management Unit (ITMU) of Invest Hong Kong (InvestHK) in 2011-12 is \$0.8 million which is comparable with the actual expenditure in 2010-11. This figure does not include staff costs.
- (b) The major on-going projects in 2011-12 of ITMU are listed below:

Project	Number of staff required in 2011-12			Estimated expenditure in 2011-12 (salaries not included)
	Civil service staff	Non-civil service contract staff	Staff of outsourced service provider	
Support of Business Applications and Operations	0	2	0	\$160,000
Support of IT Infrastructure and Facilities	0	1	0	\$640,000

In 2011-12, on-going projects funded under the Capital Works Reserve Fund Head 710 - Computerisation Subhead A007GX are listed below:

Project	Number of staff required in 2011-12			Estimated expenditure in 2011-12	Implementation schedule
	Civil service staff	Non-civil service contract staff	Staff of outsourced service provider		
Knowledge Management Assessment cum Implementation for Invest Hong Kong	0	0	0	\$350,000	2011-12
Departmental Website Web 2.0 Enhancement	0	0	0	\$1,410,000	2011-12 and 2012-13

In addition, the new project in 2011-12 funded under the Capital Works Reserve Fund Head 710 - Computerisation Subhead A007GX is listed below:

Project	Number of staff required in 2011-12			Estimated expenditure in 2011-12	Implementation schedule
	Civil service staff	Non-civil service contract staff	Staff of outsourced service provider		
Government Office Automation (GOA) Systems Upgrade	0	0	0	\$2,170,000	2011-12 and 2012-13

The projects funded under Capital Works Reserve Fund Head 710-Computerisation Subhead A007GX are out-sourced and are managed by the internal IT Managers of InvestHK on a part-time basis.

- (c) “Department Website Web 2.0 Enhancement” project above is to support our efforts in promoting initiatives related to e-engagement and opening up of public sector information. The estimated expenditure funded by the Capital Works Reserve Fund Head 710 - Computerisation Subhead A007GX is about \$1.41 million. The management of the project will be performed by the internal IT Manager of InvestHK. The system is expected to be launched in 2012-13.
- (d) The permanent establishment, existing strength and vacancies of the ITMU of InvestHK are as follows:

Grade	Establishment	Strength	Vacancy
IT Manager	0	0	0
Assistant IT Manager	0	0	0
Total	0	0	0

The existing staff of ITMU are all on non-civil service contract terms.

- (e) Under the existing governance mechanism, InvestHK will conduct annual survey to gauge the quality of services provided by the ITMU to assure its effectiveness and enhance the services.

Signature _____
Name in block letters SIMON GALPIN
Post Title Director-General of Investment Promotion
Date 11.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)175

Question Serial No.

0494

Head : 79 – Invest Hong Kong Subhead (No. & title) :
Programme : Investment Promotion
Controlling Officer : Director-General of Investment Promotion
Director of Bureau : Secretary for Commerce and Economic Development

Question :

The estimate for general departmental expenses in the 2011-12 financial year is higher than the estimate for the 2010-11 financial year by more than 50%. What major areas of expenditure account for such an increase?

Asked by : Hon. WONG Ting-kwong

Reply :

The Finance Committee of the Legislative Council approved a total non-recurrent funding of \$300 million to Invest Hong Kong (InvestHK), representing an annual average non-recurrent funding of around \$42.5 million, for the period from 2003-04 to 2010-11 for the purpose of enhancing InvestHK's investment promotion efforts. The increase in general departmental expenses in 2011-12 is mainly due to the regularisation of the annual funding upon the depletion of the non-recurrent funding in 2010-11 in order to sustain the current service level of InvestHK.

Signature _____

Name in block letters _____

SIMON GALPIN

Post Title _____

Director-General of Investment Promotion

Date _____

11.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)177

Question Serial No.

1217

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme :

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Will the Administration inform this Committee of the expenditure and manpower involved in the projects on research and technological development under the Head of Hong Kong Observatory in the past three years (i.e. 2008-09 to 2010-11)? Please list out the title, content, expenses and manpower of each project, and advise whether outsourced services were involved in these projects. Have resources been reserved for research and technological development in 2011-12? If yes, what are the details?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Hong Kong Observatory makes use of existing resources and manpower to carry out most of its research and development (R & D) projects, or collaborates with local or overseas academic institutions. We do not keep separate records on the amount of expenditure or manpower required.

Where appropriate, the Observatory also outsourced some of its R&D projects. In the past three years (2008-09 to 2010-11), the Observatory had outsourced three R&D projects, with the following details:

Title/ Subject	Content of work	Expenditure (HKD)
On-going enhancement of the detection capability for low-level turbulence (i.e. rapid irregular motion of air causing the aircraft to bump rapidly)	To study the feasibility of using Terminal Doppler Weather Radar (TDWR) to detect low-level turbulence at the Hong Kong International Airport (HKIA)	\$78,000
Analysis and detection of tornadoes and similar weather phenomena	To (a) analyze the tornado which occurred in 2002, using TDWR data; and (b) explore if the TDWR can be used to detect tornadoes and similar weather phenomena	\$93,600

On-going enhancement of the capability to provide alerts about low-level windshear	To study if a new method can be developed using Light Detection and Ranging (LIDAR) data for providing alerts about low-level windshear at HKIA	\$78,000
Total:		\$249,600

The Observatory has earmarked funds in 2011-12 for outsourcing three other projects. Details are provided below:

Title/ Subject	Content of work	Expenditure (HKD)
Further research on the “high resolution” (i.e. more detailed) weather forecasting model	To simulate the occurrence of windshear at HKIA for investigating the capability of the “high resolution” weather forecasting model	\$63,000
Further analysis and detection of tornadoes and similar weather phenomena	To (a) analyze the tornado which occurred in 2004, using the data of TDWR and LIDAR; and (b) explore the feasibility of detecting tornadoes and similar weather phenomena using both streams of data	\$93,600
Technical research on “high resolution” weather forecasting model	To estimate the computer resources required for running different “high resolution” weather forecasting models	\$98,600
Total :		\$255,200

Signature _____
Name in block letters LEE BOON YING
Post Title Director of the Hong Kong Observatory
Date 15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)178

Question Serial No.

1218

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Hong Kong Observatory has been launching district weather stations to make available to the public weather data in these districts. However, given that only temperature data is available in some stations but not other weather information such as air pressure and humidity, leaving the public in these districts without a complete picture of the weather situation, would the Administration consider installing other weather instruments at these stations as well so as to provide more comprehensive weather information?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Hong Kong Observatory monitors weather conditions across Hong Kong through a network of over 30 automatic weather stations, for the purpose of providing territory-wide weather forecasts and warnings. The locations of some of these stations are such that they also enable the Observatory to provide weather information specific to some districts, including temperature, wind speed, rainfall, relative humidity and air pressure.

To provide better service and meet popular demands for district-based temperature data, the Observatory launched the "One District One Station" programme in 2007 to install weather instruments at those districts for which temperature readings were not yet available then. This enables us to provide temperature information for each and every district in Hong Kong. The programme has been completed in 2010.

Air pressure varies little from district to district. The demand for district-based humidity information is not evident.

As regards the provision of additional weather instruments for capturing other weather data (such as wind speed and rainfall) at individual locations, the Observatory would, when considering any such suggestions from the public, take into account factors including the resources required and the merits of each case.

Signature _____

Name in block letters _____

LEE BOON YING

Post Title _____

Director of the Hong Kong Observatory

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)179

Question Serial No.

1219

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (2) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the provision of real-time weather information including temperature, humidity, wind speed and weather radar pictures by the Hong Kong Observatory on its website, I had enquired in the past whether the time gap between data collection and dissemination of weather information could be reduced (at present, data collected by the automatic weather stations are transmitted to the Hong Kong Observatory at one-minute intervals, but there is a significant delay in the time of dissemination), and the Hong Kong Observatory had refused on the ground of technical difficulties. Will the Administration inform the Committee of the technical difficulties involved and provide detailed explanation as in the cases of dissemination of real-time temperature and real-time weather radar pictures? What are the estimated resources and manpower involved to solve such technical difficulties so as to reduce the time gap?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

At present, the time gap between data collection and dissemination of weather information on Hong Kong Observatory's website is generally about several minutes. The time is needed for completing quite a number of steps, including the transmission of data collected from different locations to the Observatory, data processing, quality assurance, uploading of images and refreshing of webpages, etc. Given the present technological constraints, we are not able to compress the time gap further. This applies to dissemination of temperature, weather radar pictures and all the other weather information. The Observatory will continue to keep abreast of the latest developments in technology. We will consider adopting them as appropriate for compressing the time gap, having regard to factors such as resource requirements.

Signature _____

Name in block letters _____

LEE BOON YING

Post Title _____

Director of the Hong Kong Observatory

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)180

Question Serial No.

1220

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to “operating a network of ... weather stations” mentioned under the Brief Description, could the Administration please inform this Committee on previous cases in the past year, i.e. 2010-11, in which weather stations broke down and required repairs, resulting in failure to provide data, and the reason(s) of the incidents as well as the number of hours of non-provision of data? Were there any enquiries and complaints received from the public and what are their respective numbers?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

For the purpose of providing weather services, the Hong Kong Observatory collects weather data through a network of weather stations all over Hong Kong. Some of these stations bear different functions.

Individual weather stations may stop providing service occasionally. This is mainly due to routine preventive maintenance, repair/replacement of spare parts or equipment malfunctioning, etc. To minimize any interruption to data collection arising from such circumstances, the Observatory adopts various measures such as installing back-up equipment and carrying out preventive checking on a regular basis. During adverse weather conditions, the Observatory will also station maintenance teams at certain critical stations round-the-clock.

In 2010, the overall data collection rate was very close to 100%.

In 2010-2011, the Observatory received a total of 5 enquiries and 1 complaint from the public, involving equipment failure in 3 weather stations and 1 wind station. The Observatory has explained the situation to each of them.

Signature _____

Name in block letters _____

LEE BOON YING

Post Title _____

Director of the Hong Kong Observatory

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)181

Question Serial No.

1298

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is reported that the Hong Kong Observatory completed a review of the weather stations in April 2007 and concluded that five automatic weather stations and six sensors should be removed. In the review conducted in October 2007, it was decided that another 3 wind stations should be removed. With respect to this, will the Administration inform this Committee of the names and locations of the automatic weather stations and weather element sensors identified for removal, the reason for removing them (please list out the reasons of each weather station and sensor) and the expenses involved? Please also advise whether they are replaced with new weather stations and sensors. If not, what are the reasons?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Hong Kong Observatory reviews its network of weather stations from time to time. This is to ensure that the resources deployed to weather forecast, issuance of weather warnings and dissemination of public weather information achieve optimal cost-effectiveness.

After a review in April 2007, the Observatory decided to remove five automatic weather stations and six weather sensors. In another review in October of the same year, the Observatory decided to remove another three wind stations. The removals were mainly due to the following reasons: (a) the purpose of having the equipment in the first place, namely studies and analysis, has been served; (b) measurement capabilities of the weather station/equipment being affected by changes in the nearby environment; and (c) availability of new facilities for similar functions. Details are provided in the table below:

	Reason(s) for removal	Station name/location	Type of facilities	Remarks
(a)	The purpose of having the equipment in the first place, namely studies and analysis, has been served	Cheung Sha Wan	automatic weather station	/
		Kowloon Tsai	automatic weather station	
		Yau Yat Tsuen	automatic weather station	
		Central Plaza	automatic weather station	
(b)	Measurement capabilities of the station/equipment affected by changes in nearby environment	Tsing Yi (Tsing Pak House)	automatic weather station	Replaced by Tsing Yi (Shell Oil Depot) station
		Tsak Yu Wu (Sai Kung)	weather sensor	The Observatory is carrying out a site survey for a replacement station in Sai Kung
		Tuen Mun (Black Point)	wind station	Replaced by a station in Tuen Mun town centre
		East Lantau	wind station	Replaced by Peng Chau station
		Shek Kwu Chau	wind station	Replaced by Cheung Chau Beach station
(c)	New facilities become available for the related function	Kat O	weather sensor	The solar radiation data of these stations were mainly used as inputs for the previous generation of model for assessing the dispersion of radioactive materials. The new station at Kau Sai Chau already provides sufficient data for the latest assessment model. Removal of the 4 stations would achieve better cost-effectiveness.
		Tai Mei Tuk	weather sensor	
		East Peng Chau	weather sensor	
		Tap Mun	weather sensor	
(d)	Others	Kwun Tong	weather sensor	The Observatory has decided to retain the station after a more recent review.

Our decision to remove the four stations listed in section (c) of the table above is based mainly on cost-effectiveness consideration. The annual saving arising therefrom is about \$80,000.

Signature _____
Name in block letters LEE BOON YING
Post Title Director of the Hong Kong Observatory
Date 15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)182

Question Serial No.

1299

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Last year the volcanic ash produced by the volcanic activities in Iceland drifted into air routes and forced many European countries to close their airports, resulting in huge financial loss. In this regard, would the Administration inform this Committee whether the Hong Kong Observatory has any mechanism in place to monitor the potential impacts of volcanic activities producing volcanic ash on Hong Kong's air routes; if so, of the details; if not, of the reasons? Has the Hong Kong Observatory conducted any risk study on the potential impacts of volcanic ash produced by volcanic activities in the neighbouring regions on Hong Kong's air routes? Has the Hong Kong Observatory got a good grasp of/developed any relevant technology/technical know-how (like that of the UK Meteorological Office) to forecast the direction and extent of drifting volcanic ash? If not, what are the reasons?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

Under the International Civil Aviation Organization, there is a well-established International Airways Volcano Watch system. It consists of nine Volcanic Ash Advisory Centres, including the UK meteorological office. Each centre is responsible for monitoring the occurrence of volcanic ash within its designated region, forecasting the dispersion of the volcanic ash, and disseminating the relevant information to neighbouring meteorological offices as necessary. The Tokyo Volcanic Ash Advisory Centre (the Tokyo Centre) is the designated centre for the Asian region.

The Hong Kong Observatory makes use of information from the Tokyo Centre and satellite pictures to monitor any volcanic ash in the vicinity of Hong Kong. We obtain from the Tokyo Centre the projected dispersion direction(s) and density of the volcanic ash, if any. Should circumstances so warrant, the Observatory may seek professional advice from the Tokyo Centre direct.

Based on records over the past 30 years, the Observatory assesses that the chance of volcanic ash severely affecting Hong Kong's airspace is not high.

Signature _____

Name in block letters LEE BOON YING

Post Title Director of the Hong Kong Observatory

Date 15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)183

Question Serial No.

1300

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question : Will the Administration inform the Committee of the following: what are the expenditure and manpower involved for the Hong Kong Observatory (HKO) in educating the public on the awareness of, and preparedness for various weather situations in each of the past two years (i.e. 2009-10 and 2010-11)? Has the HKO assessed the effectiveness of such education work? If so, what are the results? If not, what are the reasons? What are the resources earmarked for and details of the public education programme in 2011-12?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Hong Kong Observatory carries out public education mainly through organization of open days, visits, talks and weather courses. The Observatory also provides educational materials on the website. We carry out such activities through re-deployment of existing resources and manpower. Other than earmarking an amount of about \$130,000 each year for the open day, we do not keep separate records on the expenses or manpower required for the other public education activities.

The Observatory assesses the effectiveness of the weather courses and talks through questionnaire surveys. Against a scale with 5 indicating maximum satisfaction/usefulness, the average response from participants is more than 4.

In 2011-12, the Observatory envisages that the scale of public education activities and the resources required would be similar to that in the past two years.

Signature _____

Name in block letters _____

LEE BOON YING

Post Title _____

Director of the Hong Kong Observatory

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)184

Question Serial No.

1301

Head : 168 Hong Kong Observatory Subhead (No. & title) :
Programme : (3) Weather Services
Controlling Officer : Director of the Hong Kong Observatory
Director of Bureau : Secretary for Commerce and Economic Development

Question :

A sandstorm swept Hong Kong last March, rapidly aggravating the air pollution. After discussions with various departments, the Government decided to step up inter-departmental communication and set up a liaison mechanism on sandstorms with the Mainland and the neighbouring regions. In this connection, will the Administration inform this Committee of the details of work by the Hong Kong Observatory in sandstorm monitoring and the liaison mechanism; of its work and the number of sandstorm warnings issued last year (i.e. 2010-11); if the accuracy of such forecasts has been assessed; and of the expenses and manpower involved in such monitoring work last year (i.e. 2010-11)?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Hong Kong Observatory maintains close liaison with the Environmental Protection Department (EPD) in monitoring any sand and dust weather. Under the existing mechanism, the Observatory provides meteorological information and analysis, satellite images and visibility data etc. to EPD. This assists EPD in assessing the impact of any sand and dust weather on the air quality of Hong Kong for possible issuance of alerts. As the sand and dust weather also impairs visibility, the Observatory would keep the public informed about the situation and the reasons for the low visibility as necessary through its weather bulletins.

In 2010-11, the liaison mechanism between the Observatory and EPD has operated smoothly. In December 2010, the Observatory provided relevant information about the sand and dust weather affecting the Taiwan Strait area to EPD. The Observatory also disseminated the low visibility weather information to the public.

We carry out the above tasks through re-deployment of existing resources and manpower. We do not keep separate records on the amount of expenditure or manpower required.

Signature _____
Name in block letters LEE BOON YING
Post Title Director of the Hong Kong Observatory
Date 15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)185

Question Serial No.

1578

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

I repeatedly requested the Hong Kong Observatory (HKO) to consider extending the current seven-day weather forecast to a ten-day or even longer forecast, but was turned down by the HKO on grounds of technology and technical skills. Will the Administration inform this Committee of the obstacles involved; if the HKO has actually carried out weather forecast for a longer period (seven to ten days) and evaluation; if so, of the results and accuracy; if the HKO has evaluated the resources involved for overcoming the relevant obstacles?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

Hong Kong is situated in the subtropical region. It is influenced by the continent, ocean and the development of weather conditions in all directions. Hence, the weather in Hong Kong can be rather changeable. This is somewhat different from areas at higher latitudes. At present, the meteorological authorities in territories which are geographically similar to Hong Kong (such as Macao, Taiwan and Singapore, etc.) generally provide weather forecast for three to seven days. We believe that the current seven-day weather forecast in Hong Kong generally meets the public needs.

From a technology point of view, the Observatory has assessed the accuracy of the forecast for the seventh day. On the basis of the current technology, we consider it difficult for us in the short run to make forecast reliably to cover a longer span of time.

The Observatory will continue to keep abreast of developments in forecasting technologies so that we may examine the feasibility of extending the forecast time span as necessary.

Signature _____

Name in block letters _____

LEE BOON YING

Post Title _____

Director of the Hong Kong Observatory

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)186

Question Serial No.

1579

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

It is noted that many suppliers or providers of commercial services (such as mobile phone network services and applications (Apps)) in the market disseminate local weather information to their clients. In this connection, will the Administration inform this Committee if such suppliers have requested for regular weather information for commercial use from the Hong Kong Observatory (HKO); if the HKO has charged such suppliers for the provision of weather information; if not, of the reasons; and of the resources and cost involved in the provision of such service by the HKO?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Hong Kong Observatory provides weather information to the above suppliers or service providers for their commercial use. We charge them on a cost-recovery basis. In 2010-11, the cost incurred and revenue collected by the Observatory both amounted to about \$26,000.

Signature _____

Name in block letters _____

LEE BOON YING

Post Title _____

Director of the Hong Kong Observatory

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)187

Question Serial No.

1580

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to the reference to "receiving meteorological satellite imageries ..." in the Brief Description and the current provision of meteorological satellite imageries on the Hong Kong Observatory website approximately on the hour and half-hour, will the Administration inform this Committee if a technical upgrade of reception and dissemination is feasible for 15-minute updates on such imageries?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

The satellite images posted on the Hong Kong Observatory website are provided by the meteorological authorities in the Mainland and Japan. The images are generally updated at half-hourly or hourly intervals. Thus, at this stage, we are not able to provide updates of the satellite images every 15 minutes.

Signature _____

Name in block letters _____

LEE BOON YING

Post Title _____

Director of the Hong Kong Observatory

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)188

Question Serial No.

1581

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the exchange and cooperation between the Hong Kong Observatory (HKO) and neighbouring meteorological centres, would the Administration please advise this Committee on the following: the exchange and cooperation between the HKO and meteorological centres in Guangdong and other regions of southern China; the expenditure and resources involved; and whether the HKO can obtain meteorological data of southern China regions through such exchange and cooperation for refining its weather forecast services, such as forecasts on the intensity of cold fronts moving southwards in winter and their time of arrival at coastal areas.

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

Over the years, the Hong Kong Observatory has forged extensive collaboration with the China Meteorological Administration (including the Guangdong Meteorological Bureau under its purview) and the Macao Meteorological and Geophysical Bureau on matters related to meteorological science and technology. In particular, each year, the Guangdong, Hong Kong and Macao authorities hold a meeting cum technical seminar to facilitate exchanges on operational matters and scientific research. We also carry out exchanges on technical issues such as climate change projections and the sharing of meteorological information, with a view to enhancing the quality of weather services for the three places. The Observatory makes use of existing resources and manpower for such tasks. We do not keep separate records on the amount of expenditure or manpower required.

Through this cooperative framework, the Observatory has been given much wider and timely access to meteorological data about southern China. Over the years, the frequency of data exchange, for instance, has been increased from every three hours to every 5 minutes. This facilitates the monitoring of changing weather conditions in the vicinity of Hong Kong, thereby enhancing the quality of our weather forecasting work for the territory.

Signature _____

Name in block letters _____

LEE BOON YING

Post Title _____

Director of the Hong Kong Observatory

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)189

Question Serial No.

1582

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the rainfall nowcast available on the Hong Kong Observatory (HKO)'s website, would the Administration advise this Committee whether it has evaluated the forecasting accuracy? If yes, what is the result? Whether the HKO will further enhance the forecasting accuracy? If yes, what are the estimated additional resources required? If the forecasting accuracy has not been evaluated, what are the reasons?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Hong Kong Observatory's rainfall "nowcast" system is a fully automated system. No manual input from the Observatory's experts is required during the forecasting process. The system provides forecast of rainfall distribution within the next two hours over the Pearl River Delta region. This aims to provide interested members of the public with an additional source of simple updated rainfall forecast information. The Observatory has been evaluating the performance of the system. For the rainfall forecast in the coming hour, the accuracy is around 70%. The performance is lower for forecasts between the first and second hour. With further advancement in technology, we believe that there is room for improvement.

The technology underpinning the current "nowcast" system is on par with existing international standards. The Observatory has hitherto showcased the system through the provision of service support to a number of international events. They include the 2008 Beijing Olympics, the Shanghai World Expo and the New Delhi Commonwealth Games in 2010. This year, the Observatory will use this system to support the weather forecasting work for the Shenzhen Universiade.

The Observatory will continue to keep in view the development of the related technology. We will consider whether to further enhance the performance of the system, having regard to factors such as resource requirements etc.

Signature _____

Name in block letters **LEE BOON YING**

Post Title Director of the Hong Kong Observatory

Date 15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)190

Question Serial No.

1583

Head : 168 Hong Kong Observatory

Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

On the provision of a Digital Weather Forecast (Beta version) by the Hong Kong Observatory (HKO) on its website, some members of the public have relayed to me that its accuracy in the prediction of changes in wind direction, wind speed and temperature is unremarkable, with significant time deviations especially about the arrival of cold fronts from the north in winter. In this connection, will the Administration inform this Committee if the accuracy of the Digital Weather Forecast has been assessed; if so, of the results and the reasons for the time deviations; if the HKO can further enhance its accuracy; if so, of the estimated additional resources to be involved; if not, of the reasons; of the reasons if its accuracy has not been assessed.

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The trial version of the Digital Weather Forecast system of the Hong Kong Observatory is a fully automated system. No manual input from the Observatory's experts is required during the forecasting process. The system aims to provide interested members of the public (such as the sports community) with an additional source of updated hourly forecasts of temperature and wind speed/direction. The Observatory has been evaluating the performance of the system. The mean deviation for temperature forecast is about 2 degrees, while that for wind speed is around 7 kilometres per hour.

In March this year, the Observatory has just improved the forecasting methodology built into the system and expanded the scope of meteorological data fed into it, with a view to enhancing the performance of the system. The Observatory makes use of its existing resources to carry out such work. We do not keep separate records on the amount of expenditure or manpower required.

Signature _____

Name in block letters _____

LEE BOON YING

Post Title _____

Director of the Hong Kong Observatory

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)191

Question Serial No.

1584

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

On the recent launch of the Greater Pearl River Delta (GPRD) Weather Website (the Website) on the Hong Kong Observatory (HKO) website, will the Administration inform this Committee of the Website's hit rate compared with that of the other weather information provided by the HKO; if the HKO will consider discussions with the Mainland meteorological authorities about the provision of more weather information, including real-time temperature, wind speed and direction, and air pressure, given that the Website only provides real-time weather warnings as well as maximum and minimum temperature forecasts in the GPRD; if not, of the reasons.

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Observatory officially launched the Greater Pearl River Delta Weather Website on its homepage in late January this year. The new website provides selected weather warnings and forecasts for the region. It recorded about 160 000 hits in February. Such a hit rate is comparable to that for the local weather forecast webpage.

Earlier this year, the Observatory has entered into discussions with the Guangdong Meteorological Bureau and the Macao Meteorological and Geophysical Bureau about the possibility of providing further weather information on the website. When we have reached agreement with the two authorities, we would implement the new arrangements.

Signature _____

Name in block letters _____

LEE BOON YING

Post Title _____

Director of the Hong Kong Observatory

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)192

Question Serial No.

1585

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to the launch of the MyObservatory application on the iPhone Platform (Apps) by the Hong Kong Observatory (HKO) to provide weather information to iPhone users in mid 2010, will the Administration inform this Committee of the details of the expenditure and manpower involved in the development and continued operation of the said service; if the HKO will, for the sake of fairness, consider developing the MyObservatory application for other mobile phone operating systems; if so, of the timetable; if not, of the reasons?

Asked by : Hon. FUNG Kin-kee, Frederick

Reply :

The Hong Kong Observatory makes use of existing resources and manpower to develop and maintain "MyObservatory". We do not keep separate records on the amount of expenditure or manpower required.

Apart from providing weather information to "iPhone" users through development of the relevant application, the Observatory has extended the service to users of other mobile phone platforms, namely "Personal Digital Assistant" and "Android" in March and November 2010 respectively. Whilst keeping abreast of advances in technology, the Observatory will take into account such relevant factors as public needs and resource requirement etc when considering whether the service should be further extended to other communication platforms.

Signature _____

Name in block letters _____

LEE BOON YING

Post Title _____

Director of the Hong Kong Observatory

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)193

Question Serial No.

0377

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (1) Weather Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

With regard to the weather services of the Hong Kong Observatory, please advise:

- (a) Regarding the launch of the MyObservatory webpage, iPhone and Android applications and the delivery of weather warnings and Observatory news over the Twitter social networking website by the Hong Kong Observatory, what are the expenditure and manpower involved in these items? Has assessment been made on the usage rate of these services? If yes, what are the details and results?
- (b) On the plan of replacing the aging Tate's Cairn weather radar, what are the expenditure and manpower involved? What is the expected date of completion?

Asked by : Hon. KAM Nai-wai

Reply :

- (a) Since the launch of "MyObservatory" in March last year, the total number of page visits for different platforms, including the Observatory's website, "Personal Digital Assistance", "iPhone" and "Android" has already exceeded 400 million by end February this year. There are also about 3 500 followers in the "Twitter" social network. The results are encouraging. The Observatory makes use of existing resources to develop and promote the above weather information service; and
- (b) The Observatory plans to replace the storm detecting weather radar at Tate's Cairn to sustain and enhance our capability in monitoring and issuing timely warnings about severe weather. We estimate that the non-recurrent cost of procuring the new radar is about \$36 million. We intend to seek funding approval from the Legislative Council this year. The Observatory will use its existing resources to absorb the manpower and other recurrent expenses. We plan to complete the replacement exercise by 2014.

Signature _____

Name in block letters _____

LEE BOON YING

Post Title _____

Director of the Hong Kong Observatory

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)194

Question Serial No.

0379

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (3) Time Standard and Geophysical Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding time standard and geophysical services, will the Administration please advise on :

- (a) the details of the work, progress, expenses and manpower involved in enhancing information service on the webpage on effects of El Nino and climate change in each of the past three years (i.e. from 2008-09 to 2010-11); and
- (b) the work plans, estimated expenditures and manpower requirements in future.

Asked by : Hon. KAM Nai-wai

Reply :

- (a) Over the past three years (i.e. from 2008-09 to 2010-11), the Hong Kong Observatory enhanced the information posted on its website about El Nino/La Nina and climate change in the following manner :
 - providing the latest updates on the status of El Nino/La Nina;
 - placing on the website scientific publications written by Observatory staff on climate change;
 - providing basic information on climate change through the addition of a corner on "Climate Change : Frequently Asked Questions" since June 2009; and
 - revamping the webpages on El Nino/La Nina and climate change in May 2010 to provide the public with easier access to the relevant information.

The Observatory has carried out the development of the above website and related maintenance work through re-deployment of existing resources and manpower. We do not keep separate records on the amount of expenditure or manpower required.

- (b) The Observatory will continue to make use of the above website to disseminate the latest information and educate the public about El Nino/La Nina and climate change. Our future work plan includes uploading educational video clips onto our website; introducing online quizzes; and enhancing the content of the educational package on climate change. The Observatory will continue to make use of existing resources and manpower for such tasks.

Signature _____

Name in block letters _____

LEE BOON YING

Post Title _____

Director of the Hong Kong Observatory

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)195

Question Serial No.

1940

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme : (3) Time Standard and Geophysical Services

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the time standard and geophysical services of the Hong Kong Observatory, please inform this Committee of :

- (a) the details as well as the expenditure and manpower involved for the talks on climate change organised for schools, organisations and the public for each of the past five years;
- (b) the details and timetable of the future work plans as well as the expenditure and manpower required;
- (c) the percentage share of the expenditure for organizing talks on climate change for schools, organisations and the public in the total estimate of the Hong Kong Observatory.

Asked by : Hon. KAM Nai-wai

Reply :

To promote public understanding of the subject, the Hong Kong Observatory has since 2007 sent its staff, on request, to deliver talks on basic scientific knowledge related to climate change, at schools and various other organizations. The Observatory has conducted over 200 such talks between September 2007 and February 2011. The Observatory carries out such activities through re-deployment of existing resources and manpower. We do not keep separate records on the expenses.

In the coming year, apart from organizing talks, the Observatory will make further use of information technology to promote public education on climate change. Our future work plan includes uploading educational video clips onto our website; introducing online quizzes; and enhancing the content of the educational package on climate change. The Observatory will continue to make use of existing resources and manpower for such tasks.

Signature _____

Name in block letters _____

LEE BOON YING

Post Title _____

Director of the Hong Kong Observatory

Date _____

15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)196

Question Serial No.

3214

Head : 168 Hong Kong Observatory Subhead (No. & title) :

Programme :

Controlling Officer : Director of the Hong Kong Observatory

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the estimates of expenditure of the information technology management unit of the department:

- a. What is the estimated expenditure for 2011-12? What is the percentage change compared with the actual expenditure for 2010-11? What account for this percentage change in expenditure?
- b. What specific initiatives are involved in the estimates of expenditure for 2011-12? Which of them are ongoing and new initiatives respectively? What are the staff number, cost and implementation timetable of each initiative? Among the staff involved, how many of them are civil servants, non-civil service contract staff and staff of outsourced services respectively?
- c. Whether funds have been reserved for promoting electronic civic participation and public sector information access? If yes, what are the specific details, including the titles and particulars of the initiatives, the manpower and cost involved, and the implementation timetable? If not, what are the reasons and will consideration be given to introducing the initiatives in the future?
- d. What are the permanent establishment and the number of existing staff and vacancies of the information technology unit? Is manpower expected to increase in the coming year? If yes, how many additional posts will be created? What ranks will be involved? Will they be permanent posts? Will they be appointed on civil service terms? If there will be no increase in manpower, what are the reasons?
- e. Has there been any comprehensive review of the effectiveness of the information and technology unit? If yes, what are the results and the specific improvement measures involved? If not, what are the reasons and will a review be conducted in the future?

Asked by : Hon. TAM Wai-ho, Samson

Reply :

- a. The estimated expenditure for the Information Technology Management Unit (ITMU) of the Hong Kong Observatory in 2011-12 is about \$4.1 million. This is comparable to the expected actual expenditure in 2010-11.

- b. In 2011-12, we have the following on-going projects:

Project	No. of Staff Required in 2011-12			Estimated Expenditure in 2011-12 (\$M)
	Civil Servant	Non-Civil Service Contract Staff	Staff of Outsourced Services	
Support for operational computer systems, networks, databases and e-Government systems	13	1	0	4.1

In addition, we have a number of new projects in 2011-12 funded under the Capital Works Reserve Fund Head 710 – Computerization Subhead A007GX, as listed below:

Project	No. of Staff Required in 2011-12			Estimated Expenditure in 2011-12 (\$M)	Implementation Schedule
	Civil Servant	Non-Civil Service Contract Staff	Staff of Outsourced Services		
Enhancement of Core Operational Network	13	0	7	6.0	2011-12
Replacement of Operational Computer System		1	- (Note)	4.5	2012-13

Note: Number not yet known, pending tender results.

- c. The electronic civic participation initiatives of the Observatory include disseminating weather information via the Observatory’s website, YouTube and Twitter, etc. With regard to public sector information access, the public may download weather information using Really Simple Syndication (RSS) in the “eXtensible Markup Language” (XML) format.

The Observatory makes use of existing resources and manpower for such tasks. We have not specifically set aside any resources in 2011-12 for this.

- d. The permanent establishment, existing strength and vacancies in the ITMU of the Observatory are as follows:

Grade	Establishment	Strength	Vacancy
HKO Departmental Staff	10	10	0
Analyst/Programmer	2	2	0
Total	12	12	0

To enhance support for the operational IT systems, HKO will create two permanent Analyst/Programmer II posts in 2011-12 to replace two non-civil service contract staff. The Office of the Government Chief Information Officer is in the course of recruiting Analyst/Programmer II officers, and the replacement is expected to be completed by the end of 2011.

- e. In line with the existing governance mechanism, the Observatory has established an Information Technology Committee to review the manpower resources as well as the development plan of ITMU every year. In the latest review in 2010-11, the Committee recommended further enhancing IT training and extending the scope of IT standardization within the department. Implementation of these recommendations is currently in progress.

Signature	_____
Name in block letters	LEE BOON YING
Post Title	Director of the Hong Kong Observatory
Date	15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)197

Question Serial No.

3585

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (3)Support for Small and Medium Enterprises and Industries

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

At present, the SME Export Marketing Fund (EMF) mainly provides grant to small and medium enterprises (SMEs) for their participation in trade fairs/exhibitions. Many SMEs have reflected that the EMF should expand its scope to facilitate SMEs in more varieties of promotion activities. In 2011-12, will the Administration allocate resources to review the operation of the EMF and study whether its scope and amount of grant should be expanded? If yes, what are the working plan and estimated expenditure? If not, what are the reasons?

Asked by: Hon. CHAN, Tanya

Reply:

The Government has expanded the scope of SME Export Marketing Fund several times in the past. In 2008, we expanded the scope to include advertisements on printed trade publications. In 2009, the scope was further expanded to include eligible trade websites. Since the expansion of the scope of the fund, the number of applications related to advertisements accounts for 45% of the total number of applications. It reflects that the newly added items have met the needs of small and medium enterprises (SMEs). We also plan to submit a proposal for injecting an additional \$1 billion into the SME Development Fund and SME Export Marketing Fund to the Legislative Council, so as to provide continual support to SMEs in export promotion and enhancing their competitiveness. The Government will continue to keep abreast of the latest developments in the market and review the operation of the fund to ensure that it meets the needs of the trade. The work will be carried out with existing manpower.

Signature _____

Name in block letters Ms Maria S. N. KWAN _____

Post Title Director-General of Trade and Industry _____

Date 14.3.2011 _____

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)198

Question Serial No.

3586

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (3) Support for Small and Medium Enterprises and Industries

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

One of the duties of the Trade and Industry Department is to support the development of Hong Kong's industries. As many manufacturing industries have already been relocated to the Mainland, their relative importance in Hong Kong's economic structure has reduced. Has the Administration set any indicator for the manufacturing industries to contribute to the Gross Domestic Product (GDP) for 2011-12? If yes, what is the indicator? If not, what are the reasons?

Asked by: Hon. CHAN Tanya

Reply:

Over the years, the manufacturing industry has contributed significantly to the development of Hong Kong's economy. As Hong Kong undergoes economic restructuring, most of the production processes have been relocated to the Mainland. According to the data from the Census and Statistics Department, in 2009, manufacturing industry accounted for 2.3% of the Gross Domestic Product (GDP), while employment in manufacturing took up 3.8% of the total employment. Notwithstanding that, the manufacturing industry has continued to support many related service industries, such as logistics, import and export trade etc. As industry will restructure according to the changes in economic circumstances, it is not appropriate for the Administration to set a target of the percentage contribution of the manufacturing industry to Hong Kong's GDP.

Signature

Name in block letters

Post Title

Date

Maria SN KWAN

Director-General of Trade and Industry

15.3.2011

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)199

Question Serial No.

3587

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (3) Support for Small and Medium Enterprises and Industries

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

In recent years, there are calls to encourage young people to start up their own businesses. However, under the highly competitive business environment in Hong Kong where rent and operation costs are high, it is very difficult for young people to start up their own businesses. In 2011-12, would the Administration consider formulating measures to help young people start up their own businesses? If yes, what are the specific plans and estimated expenditure? Would the measures include training and consultation services for young people aspiring to start up their own businesses? If yes, what are the details? If not, what are the reasons?

Asked by: Hon. CHAN Tanya

Reply:

The Government is committed to supporting the development of small and medium enterprises (SMEs) (including business start-ups). Different departments and agencies are providing support to young people aspiring to start up their own businesses in specific sectors, like the Incubation Programmes offered by the Hong Kong Science & Technology Parks Corporation for the design and technology sectors.

As far as the Trade and Industry Department is concerned, its Support and Consultation Centre for SMEs (SUCCESS) provides free, reliable and practical information and consultation services for SMEs (including business start-ups). SUCCESS' Business Start-up Information Service provides comprehensive information for business start-ups, including requirements on government licences and permits, tips for drafting business plans, budget analysis for business start-ups, etc. SUCCESS also organises seminars, workshops and other activities regularly to help broaden SMEs' business knowledge and enhance their entrepreneurial skills. Through its "Meet-the-Advisors" Business Advisory Service, SUCCESS arranges SMEs encountering problems in running their businesses to meet with experts of various sectors for professional consultation. SUCCESS also implements a "SME Mentorship Programme" which provides an opportunity for SME entrepreneurs who are at their early stage of business to learn from and be guided by accomplished entrepreneurs through one-on-one counselling during a 12-month mentorship period.

Excluding the personnel-related expenses, the estimated expenditure of SUCCESS for 2011-12 is about \$1.4 million.

Signature _____

Name in block letters _____ Maria SN KWAN _____

Post Title _____ Director-General of Trade and Industry _____

Date _____ 15.3.2011 _____

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)200

Question Serial No.

3588

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (3) Support for Small and Medium Enterprises and Industries

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

Many SMEs are worried that the implementation of the “Competition Law” may affect them. If the relevant Bill is enacted and comes into effect in 2011-12, would the Administration allocate resources to help address the worries and queries of SMEs arising from the implementation of the law? If yes, what are the details and estimated expenditure? If not, what are the reasons?

Asked by: Hon. CHAN Tanya

Reply:

The Commerce and Economic Development Bureau submitted the Competition Bill (the Bill) to the Legislative Council in 2010. The relevant Bills Committee is examining the Bill. According to the proposals in the Bill, the statutory functions of the future Competition Commission (Commission) include promoting public understanding of the Bill and the value of market competition through public education. The Bill also makes it a statutory requirement for the Commission to draw up regulatory guidelines on interpretation and implementation of the law upon consultation, so as to facilitate compliance by the business sector (including the small and medium enterprises). Provisions have already been earmarked under Head 152 – Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) to meet the expenses for the establishment and initial operation of the Commission should the Bill be enacted within 2011-12.

Signature _____

Name in block letters Ms Maria S. N. KWAN _____

Post Title Director-General of Trade and Industry _____

Date 14.3.2011 _____

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)202

Question Serial No.

0332

Head : 181 Trade and Industry Department

Subhead (No. & title) : 700 General
non-recurrent

Programme :

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

Regarding the non-recurrent expenditure for 2010-11 of the Department, the approved estimate and the revised estimate are \$719,602,000 and \$409,865,000 respectively. Would the Administration please inform this Committee the reasons for a 43% decrease in the revised estimate?

Asked by: Hon. HO Chung-tai, Raymond

Reply:

The revised estimate of the non-recurrent expenditure of the Trade and Industry Department for 2010-11 is 43% less than the approved estimate. This is mainly because the expenditure arising from payment of default claims under the Special Loan Guarantee Scheme and the SME Loan Guarantee Scheme is much lower than the original estimate. Besides, the number of applications under the SME Export Marketing Fund is less than expected.

Signature

Name in block letters

Post Title

Date

Ms Maria S. N. KWAN

Director-General of Trade and Industry

14.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)203

Question Serial No.

1656

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (1) Commercial Relations

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

It is noted that the department will create 3 additional non-directorate posts in the 2011-12 financial year. What are the reasons for the creation and their respective ranks and salaries?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

The department proposes to create one Principal Trade Officer and two Assistant Trade Officer II posts in the 2011-12 financial year to enhance the commercial relations with emerging economies. The staff cost of these three new posts, in terms of notional annual mid-point salary, is approximately \$1.67 million.

Signature _____

Name in block letters _____ Maria SN KWAN

Post Title _____ Director-General of Trade and Industry

Date _____ 14.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)204

Question Serial No.

1657

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (2)Trade Support and Facilitation

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

It is estimated the registration number of the Outward Processing Arrangement in 2011 will drop drastically to 161. What are the reasons?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

Under the Outward Processing Arrangement, manufacturers who have registered with the Trade and Industry Department are allowed to subcontract the secondary or finishing processes to places outside Hong Kong, yet the primary manufacturing processes of the goods concerned must be carried out in Hong Kong in order to comply with the requirements imposed by the Certificate of Hong Kong Origin. We anticipate that the registration number under the Outward Processing Arrangement in 2011 will drop to approximately 160 and the rate of decrease is similar to that of last year, mainly because we expect that the trend of local manufacturing industry relocating various processes including the primary manufacturing processes to places outside Hong Kong will continue.

Signature _____

Name in block letters Ms Maria S. N. KWAN

Post Title Director-General of Trade and Industry

Date 14.3.2011

Examination of Estimates of Expenditure 2011-1

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)205

Question Serial No.

1658

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (3)Support for Small and Medium Enterprises and Industries

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

The revised estimate for 2010-11 is 39.2% less than the original estimate for the same year. What are the reasons?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

The Trade and Industry Department's revised estimate for support of small and medium enterprises and industries in 2010-11 is 39.2% less than the original estimate. This is mainly because the expenditures arising from payment of default claims under the Special Loan Guarantee Scheme and the SME Loan Guarantee Scheme are much lower than the original estimate. Besides, the number of applications under the SME Export Marketing Fund is less than expected.

Signature _____

Name in block letters Ms Maria S. N. KWAN _____

Post Title Director-General of Trade and Industry _____

Date 14.3.2011 _____

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)206

Question Serial No.

0831

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (3)Support for Small and Medium Enterprises and Industries

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2011-12 that the Trade and Industry Department (TID) will continue to implement measures and co-operate with industrial organisations to support the development and promotion of Hong Kong brands. Would the Administration inform this Committee the details, performance indicators and the respective expenditures involved?

Asked by: Hon. LAM Tai-fai

Reply:

The Trade and Industry Department (TID) endeavours to assist Hong Kong enterprises in developing brands and exploring the Mainland and overseas markets. Its SME Export Marketing Fund (EMF) subsidises small and medium enterprises (SMEs) to participate in export promotion activities; the maximum grant for each SME is \$150,000. The SME Development Fund (SDF) provides financial support to projects carried out by trade and industrial organisations, support organisations and professional bodies to enhance the competitiveness of Hong Kong's SMEs. The maximum amount of funding support for each project is \$2 million.

In 2011-12, the SDF will encourage eligible organisations to submit projects which can help SMEs develop and promote brands, expand domestic sales and explore emerging markets. We also plan to submit a proposal for injecting an additional \$1 billion into the SDF and EMF to the Legislative Council. In addition, TID will maintain close liaison with the trade and co-operate with the Hong Kong Trade Development Council (HKTDC), the Hong Kong Productivity Council and other trade and industrial organisations in organising branding conferences, exhibitions and seminars etc, so as to assist the trade in meeting the challenges arising from developing and promoting brands. For example, in 2011, we will continue to co-operate with the HKTDC to organise a large scale branding conference and showcase the Government and support organisations' support measures on branding at the Hong Kong Brands and Products Expo. We will also enrich the contents of our department's brand promotion website to make it a comprehensive information platform on brands.

The 2011-12 estimated provision for the EMF and the SDF is \$364 million. Expenses for other activities, such as organising exhibitions, seminars and the brand promotion website, are covered by the recurrent expenditure of TID.

Signature _____

Name in block letters _____ Maria SN KWAN

Post Title _____ Director-General of Trade and Industry

Date _____ 15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)209

Question Serial No.

2337

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (3)Support for Small and Medium Enterprises and Industries

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2011-12 that the Administration will continue to help the trade meet the challenges in reaching out to the global market. Would the Administration inform this Committee the concrete implementation measures and the expenditure involved?

Asked by: Hon. LAM Tai-fai

Reply:

The Trade and Industry Department (TID) endeavours to assist enterprises to explore the Mainland, overseas and emerging markets. We understand that the trade would like the Government to provide assistance in different areas, such as financial support, providing the latest market information, enhancing their business knowledge and competitiveness etc. The Government has therefore provided a wide range of support measures in different aspects.

On financial support, TID's SME Export Marketing Fund (EMF) subsidises small and medium enterprises (SMEs) to participate in export promotion activities; the maximum grant for each SME is \$150,000. The SME Development Fund (SDF) provides financial support to projects carried out by trade and industrial organisations, support organisations and professional bodies to enhance the competitiveness of Hong Kong's SMEs. The maximum amount of funding support for each project is \$2 million. In 2011-12, the SDF will encourage eligible organisations to submit projects which aim to help SMEs develop and promote brands, expand domestic sales and explore emerging markets.

On information services, TID regularly keeps the trade abreast of the latest information in overseas markets, e.g. new laws and regulations. In 2010, TID established a brand promotion website to provide information about brand building and promotion. We will enrich the contents of the website to make it a comprehensive information platform on brands.

The Support and Consultation Centre for SMEs (SUCCESS) of TID provides free, reliable and practical information and consultation services for SMEs (including business start-ups). SUCCESS also organises seminars, workshops and other activities to help broaden SMEs' business knowledge and enhance their entrepreneurial skills. In the coming year, TID plans to co-operate with the Hong Kong Trade Development Council, the Hong Kong Productivity Council and other trade and industrial organisations in organising branding conferences, exhibitions and seminars etc, so as to assist the trade in meeting the challenges arising from developing and promoting brands.

To help Hong Kong enterprises face the challenges of operating in the Mainland, TID has maintained close liaison with the relevant Mainland authorities to reflect the views and suggestions on policies that affect Hong Kong enterprises. The Mainland authorities have responded positively to many proposals of the HKSAR Government and the trade. Various facilitation measures were launched in the Mainland in 2008 and 2009, including “suspending the actual payment of standing book deposit for processing trade enterprises”, “restructuring without stopping production, carrying forward without appraising the value” etc. The Guangdong Province also announced in 2009 some 30 support measures covering nine areas to help Hong Kong, Macao and Taiwan enterprises restructure and upgrade their businesses, including reduction or waiving of certain taxes and fees, implementation of “restructuring without stopping production” and “consolidated tax return for multiple domestic sales”. Moreover, TID and other trade and industrial support organisations will continue to disseminate information regarding the Mainland market and relevant policies to Hong Kong enterprises, helping them to grasp the updated news of the Mainland market.

The 2011-12 estimated provision for the EMF and the SDF is \$364 million. Other expenses are covered by the recurrent expenditure of TID.

Signature _____

Name in block letters _____ Maria SN KWAN

Post Title _____ Director-General of Trade and Industry

Date _____ 15.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)210

Question Serial No.

3545

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (2) Trade Support and Facilitation

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

The Trade and Industry Department is keeping the strategic trade control system under review, with a view to further streamlining procedures and rules without compromising the integrity and effectiveness of control. For this, please provide this Committee with the latest update on the following matters:

- (a) expediting the amendment of the list of controlled strategic commodities in accordance with the latest requirements of the international control regimes;
- (b) relaxing the control on import and export of the strategic commodities concerned where appropriate;
- (c) exploring the possibility of enhancing the "Approval-in-Principle Arrangement for Bulk Users of Strategic Commodities Licensing Service" by further streamlining the rules and procedures to facilitate the users; and
- (d) simplifying the licensing requirements for transshipment of strategic commodities through Hong Kong.

Asked by: Hon. LAU Kin-ye, Miriam

Reply:

- (a) In 2010, the Trade and Industry Department (TID), in accordance with the latest requirements of the international non-proliferation regimes, amended the list of controlled strategic commodities twice (the amendments took effect in February and June respectively). We will start a new round of amendment in 2011.
- (b), (c) & (d) The amendments in 2010 resulted in relaxation of: (1) the control on import and export of some commonly traded strategic commodities (i.e. electronics, computers, and telecommunications and information security products); and (2) the control over transit and air-transshipment of information security products. Furthermore, the "Approval-in-Principle Arrangement for Bulk Users of Strategic Commodities Licensing Service" has been further streamlined in August 2010, making the product coverage of licences issued under the Arrangement more flexible than ever.

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)212

Question Serial No.

2998

Head : 181 Trade and industry Department Subhead (No. & title) :

Programme : (1) Commercial Relations

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question :

Regarding the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), would the Administration please inform this Committee the resources and manpower involved for implementing and formulating new arrangements under CEPA in the 2011-12 financial year?

Asked by : Hon. LEE Wai-king, Starry

Reply :

For the CEPA-related work, the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) is responsible for the overall policy; the Trade and Industry Department oversees bilateral discussions on the further development of CEPA and effective implementation of liberalisation measures under CEPA; and individual bureaux and departments deal with specific issues related to development and implementation of CEPA in the relevant service sectors. The resource requirements are worked out by relevant bureaux/departments respectively, and we do not have information on the actual amount involved.

Signature _____

Name in block letters _____

Maria SN KWAN

Post Title _____

Director-General of Trade and Industry

Date _____

14.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)213

Question Serial No.

0196

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (3)Support for Small and Medium Enterprises and Industries

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

The aim of Programme (3) under the Trade and Industry Department is to support and facilitate the development of Hong Kong's small and medium enterprises (SMEs) and industries. The original \$783.3 million estimated provision for the current year (2010-11) is subsequently revised to \$476.2 million (a decrease of 39.2%). Also, the estimated provision of \$504.9 million for 2011-12 is 35.5% less than the original estimate for 2010-11. Could the Department please specify the allocation and uses of the provisions (e.g. organizing and participating what activities) in the current year (2010-11) and the following year (2011-12) to:

- (a) help Hong Kong enterprises develop and promote brands to enhance their competitiveness in the Mainland and overseas market;
- (b) maintain close liaison with the trade, and help them meet the challenges in reaching out to the global market; and
- (c) implement measures and co-operate with industrial and trade organisations to support the development and promotion of Hong Kong brands?

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

The Trade and Industry Department's (TID) revised estimate for 2010-11 is 39% less than the original estimate. This is mainly because the expenditure arising from payment of default claims under the Special Loan Guarantee Scheme and the SME Loan Guarantee Scheme is much lower than the original estimate. Besides, the number of applications under the SME Export Marketing Fund is less than expected.

TID endeavours to assist Hong Kong enterprises in developing brands and exploring the Mainland and overseas markets. Its SME Export Marketing Fund subsidises small and medium enterprises (SMEs) to participate in export promotion activities, and the maximum grant for each SME is \$150,000. The SME Development Fund provides financial support to projects carried out by trade and industrial organisations, support organisations or professional bodies to enhance the competitiveness of Hong Kong's SMEs. The maximum amount of funding support for each project is \$2 million.

In 2011-12, the SME Development Fund will focus on encouraging eligible organisations to apply for funds to support projects that help SMEs in developing and promoting brands, expanding domestic sales in the Mainland and exploring emerging markets. We also plan to submit a proposal for injecting an additional \$1 billion into the SME Development Fund and SME Export Marketing Fund to the Legislative Council. In addition, TID will maintain close liaison with the trade and co-operate with the Trade Development Council, the Hong Kong Productivity Council and other trade and industrial organisations in organising branding conferences, exhibitions and seminars etc, so as to assist the trade in meeting challenges in developing and promoting brands. We will also enrich the contents of our department's brand promotion website to make it a comprehensive information platform on brands.

The 2010-11 revised estimate and 2011-12 estimated provision for the SME Export Marketing Fund and the SME Development Fund are both \$364 million. Expenses for other activities, such as organising exhibitions, seminars and the brand promotion website, are covered by the recurrent expenditure of TID.

Signature _____

Name in block letters _____ Ms Maria S. N. KWAN

Post Title _____ Director-General of Trade and Industry

Date _____ 14.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)214

Question Serial No.

0401

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (1) Commercial Relations

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

The provision for Programme (1) of the department in the 2011-12 financial year is \$7.8 million (8.6%) higher than the revised estimate for 2010-11. Please specify how much of the additional provision is used for:

- (a) the full-year salary salaries for filling vacant posts;
- (b) the proposal of creating 3 new posts (and what are their titles, scope of work, salaries and benefits); and
- (c) the additional provision for enhancing the commercial relations with emerging economies (and the funding will be used on which economies)?

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

The additional \$7.8 million in the proposed provision for Programme (1) in the 2011-12 financial year will be used for :

- (a) the full-year salary provision for filling vacant posts at an approximate cost of \$0.39 million;
- (b) creating one Principal Trade Officer and 2 Assistant Trade Officer II posts, to help develop and promote commercial relations with emerging economies. These 3 new posts, with relevant benefits under the civil service terms and conditions, will cost approximately \$1.67 million in terms of notional annual mid-point salary; and
- (c) enhancing the commercial relations with emerging economies, which include Russia, India, the Middle East and South America regions. The required additional provision is approximately \$5 million, which is the estimated expenditure for hiring local consultants and conducting duty visits to these areas etc.

Signature _____

Name in block letters _____

Maria SN KWAN

Post Title _____

Director-General of Trade and Industry

Date _____

14.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)215

Question Serial No.

1066

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (3) Support for Small and Medium Enterprises and Industries

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

Regarding the measures to support small and medium enterprises (SMEs), would the Administration inform this Committee:

- (a) Under Head 181 Trade and Industry Department, besides the SME Loan Guarantee Scheme (SGS) mentioned in the Budget, how did the other two schemes, i.e. the SME Export Marketing Fund (EMF) and the SME Development Fund (SDF) operate and what was the situation of their applications in the past three years? How much grants were approved in total?
- (b) Has the authority adopted any measures to further streamline the application procedures and shorten the time required?
- (c) How does the authority evaluate the effectiveness of these streamlining measures? What is the reaction of the trade?

Asked by: Hon. LEUNG Mei-fun, Priscilla

Reply:

- (a) In the past three years (2008-2010), the number of applications received by the Trade and Industry Department (TID) under SME Export Marketing Fund (EMF) are 17 770, 31 052 and 27 846 respectively; and the government grants involved are \$194 million, \$388 million and \$351 million respectively. As for the SME Development Fund (SDF), in the past three years (2008-2010), the number of applications received are 47, 69 and 40 respectively and the government grants involved are \$11 million, \$25.6 million and \$17.2 million respectively.
- (b) TID reviews its service from time to time to streamline the application procedures and shorten the processing time as far as possible. Since 1 January 2011, the processing time of SDF has been shortened from 70 to 60 working days. The processing of EMF applications will be completed within 30 working days upon receipt of all required documents. In 2010, 96.4% of the applications could be processed within 30 working days.

- (c) We believe the trade will welcome TID's initiative to shorten the processing time of the SDF.

Signature _____

Name in block letters _____ Ms Maria S. N. KWAN

Post Title _____ Director-General of Trade and Industry

Date _____ 14.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)216

Question Serial No.

3230

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme :

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

Regarding the estimates of expenditure of the Information Technology Management Section (ITMS) in the Trade and Industry Department (TID):

- (a) What is the estimated expenditure in 2011-12? What is the rate of change as compared with the actual expenditure in 2010-11? What is(are) the reason(s) for the above rate of change in expenditure?
- (b) What specific projects are included in the estimates of expenditure 2011-12? Which of them are on-going projects and which are new projects? What are the number of staff, costs and implementation timetable of each project? Of the staff involved for each project, how many of them are civil servants, non-civil service contract staff and staff of outsourced service providers respectively?
- (c) Has the Administration earmarked any provision for measures to promote e-engagement as well as opening-up of public sector information? If yes, what are the specific contents including project names, details, manpower and costs involved, and implementation timetable? If not, what is(are) the reason(s) and will the Administration consider carrying out such measures in the future?
- (d) What are the permanent establishment, existing number of staff and vacancies of ITMS ? Will there be any increase in manpower in the coming year? If yes, what is the projected number of additional posts and the ranks involved? Are these posts on permanent establishment? Will candidates for these posts be appointed on civil service terms of appointment? If not, what is(are) the reason(s) for that?
- (e) Is there any overall review on the effectiveness of ITMS? If yes, what are the results of the review and the specific improvement measures involved? If not, what is(are) the reason(s) and will such review be carried out in the future?

Asked by: Hon. TAM Wai-ho, Samson

Reply:

The estimated expenditure for the Trade and Industry Department (TID)'s IT Management Section (ITMS) under Head 181 is listed as follows:

- a. The estimated expenditure for 2011-12 is \$16.5 million, representing an increase of \$1.1 million (7.1%) as compared with the 2010-11 projected expenditure, which is mainly due to the anticipated increase in salary for non-civil service contract staff and staff of outsourced service providers.

- b. The estimates of expenditure for 2011-12 mainly cover the daily operation and maintenance cost for 31 IT systems of TID. During the year, the Department will also enhance the systems for better service performance. For example, a number of virtual servers will be set up (server virtualisation), and batch job processing time and work process will be improved. The staff involved in providing joint support for the above systems include 23 civil servants, 6 Non-Civil Service Contract Staff and 19 staff of outsourced service providers to be employed at different time of the year.
- c. Similar to other Bureaux/Departments, TID provides various means for the public to acquire services and information. These include sending free E-notifications to traders informing them of the latest trade and industry news and activities; and the Directory of Hong Kong Trade and Industrial Organizations, etc.
- d. The number of posts under permanent establishment, the existing number of staff and vacancies in the ITMS in 2010-11 are set out below:

Rank	Permanent Establishment posts	Existing Number of Staff	Vacancies
Senior Systems Manager	1	1	0
Systems Manager	1	1	0
Analyst/Programmer I	5	4	1
Analyst/Programmer II	3	1	2
Senior Computer Operator	2	2	0
Computer Operator I	5	5	0
Computer Operator II	3	3	0
Executive Officer I	1	1	0
Senior Clerical Officer	1	1	0
Clerical Officer	1	0	1
Assistant Clerical Officer	2	2	0
Clerical Assistant	2	2	0
Total :	27	23	4

Currently the ITMS is equipped with adequate manpower resources to meet the Department's daily operational needs. There is no plan to create new posts in the next financial year.

- e. The Department will review the manpower resources of the ITMS every year through the annual manpower planning exercise. The Departmental IT Strategy Committee has also been established to examine and monitor the IT development plans administered by the ITMS in order to ensure effective information technology support service in the Department.

Signature _____

Name in block letters Maria SN KWAN

Post Title Director-General of Trade and Industry

Date 14.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)218

Question Serial No.

2934

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (3) Support for Small and Medium Enterprises and Industries

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

Under "Matters Requiring Special Attention in 2011-2012", the Administration mentioned that it would support the development and promotion of Hong Kong brands. Would the Administration advise:

- (a) What activities had the Administration organised last year (i.e. 2010-2011) to develop and promote Hong Kong brands and what was the expenditure involved?
- (b) What is the estimated expenditure for the development and promotion of Hong Kong brands in the coming year (i.e. 2011-2012)? What are the plans and activities involved?
- (c) The Administration is promoting six key industries. Has the Department provided any specific support measures for the six key industries to enhance the brand image of their products or services? If yes, what are the measures and expenditure involved? If not, will the Administration consider conducting brand promotion for the relevant industries overseas?

Asked by: Hon. WONG Kwok-kin

Reply:

- (a) The Trade and Industry Department (TID) endeavours to assist Hong Kong enterprises in developing brands and exploring the Mainland and overseas markets. TID's SME Export Marketing Fund subsidises SMEs to participate in export promotion activities; the maximum grant for each SME is \$150,000. The SME Development Fund provides financial support to projects carried out by trade and industrial organisations, support organisations and professional bodies to enhance the competitiveness of Hong Kong's SMEs. The maximum amount of funding support for each project is \$2 million.

TID and the Trade Development Council co-organised a branding conference in December 2010 to increase Hong Kong enterprises' awareness on brand development and knowledge on expansion into the Mainland market. TID has also produced a branding pamphlet which sets out all the support measures provided by the Government and other relevant organisations. These support measures were also introduced to the public through the panels displayed at the Hong Kong Brands and Products Expo held in 2010. Besides, TID has set up a brand promotion website to provide information related to brand development. The revised estimate of SME Export Marketing Fund (EMF) and SME Development Fund (SDF) in 2010-11 is \$364 million. Expenses for organising exhibitions, production of pamphlet and brand promotion website are covered by the recurrent expenditure of TID.

- (b) In 2011-12, the SME Development Fund will encourage eligible organisations to submit projects which aim to help SMEs develop and promote brands, expand domestic sales and explore emerging markets. In addition, TID will maintain close liaison with the trade and co-operate with the Trade Development Council, the Hong Kong Productivity Council and other trade and industrial organisations in organising branding conferences, exhibitions and seminars, etc, so as to assist the trade in meeting the challenges arising from developing and promoting brands. We will also enrich the contents of our department's brand promotion website to make it a comprehensive information platform on brands. The 2011-12 estimated provision for the SME Export Marketing Fund and the SME Development Fund is \$364 million, same as the previous year. Other related expenses are covered by the recurrent expenditure of TID.
- (c) The above support measures are also applicable to the six key industries. Besides, relevant departments and institutions (such as the Innovation and Technology Commission, Environmental Protection Department, Create Hong Kong, etc) have been implementing relevant policies and measures to facilitate and assist the development of these industries and to promote them overseas.

Signature _____

Name in block letters Ms Maria S. N. KWAN

Post Title Director-General of Trade and Industry

Date 14.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)219

Question Serial No.

3866

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (3) Support for Small and Medium Enterprises and Industries

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

- (a) With reference to the Indicators under the subject Programme, the number of applications of both the SME Development Fund (SDF) and the SME Export Marketing Fund (EMF) has shown a declining trend in 2010. What are the reasons? Please provide the figures for the past three years (i.e. 2008 to 2010) for reference;
- (b) In the coming year (i.e. 2011), will the Administration enhance and promote the two abovementioned funds so as to enable more small and medium enterprises (SMEs) to learn of the Government's support services which could help their development? If yes, what will be the measures and the expenditure involved?

Asked by: Hon. WONG Kwok-kin

Reply:

- (a) In the past three years (2008-2010), the number of applications received by Trade and Industry Department (TID) under SME Export Marketing Fund (EMF) are 17 770, 31 052 and 27 846 respectively. The number of applications fluctuated in the past few years. Compared with 2009, the number of applications in 2010 has decreased by about 10%. However, compared with the number of applications in 2008, there was an increase of about 57%. As for the SME Development Fund (SDF), the number of applications received in the past three years (2008-2010) are 47, 69 and 40 respectively. The number of applications in 2009 increased significantly, probably because many support organisations would like to carry out projects to help small and medium enterprises (SMEs) face the challenges arising from the financial crisis and turn crisis into opportunities. The number of applications has stabilised in 2010.
- (b) We plan to submit a proposal for injecting an additional \$1 billion into the SDF and EMF to the Legislative Council. We will also strengthen promotion for the two funds. We have earlier written to eligible institutions encouraging them to submit projects to SDF which can help SMEs develop and promote brands, expand domestic sales and explore emerging markets. The relevant promotion expenses will be subsumed into TID's recurrent expenditure.

Signature _____

Name in block letters _____

Ms Maria S. N. KWAN

Post Title _____

Director-General of Trade and Industry

Date _____

14.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)220

Question Serial No.

0490

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (3)Support for Small and Medium Enterprises and Industries

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

In the past two years, the number of applications under the SME Export Marketing Fund were about 30 000 but the number of SME beneficiaries were only 4 000 on average. The number of applications has also decreased. What are the reasons?

Asked by: Hon. WONG Tin-kwong

Reply:

The number of small and medium enterprises (SMEs) beneficiaries was less than the number of applications because, subject to the specified maximum subsidy amount, each SME may submit more than one application, and receives subsidy for more than once. In the past two years, each SME on average submitted 7 applications per year.

The number of applications fluctuated over the past five years. Compared with 2009, the number of applications in 2010 has decreased by about 10%. However, compared with the number of applications in 2008, there was an increase of about 57%.

Signature _____

Name in block letters _____
Ms Maria S. N. KWAN

Post Title _____
Director-General of Trade and Industry

Date _____
14.3.2011

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)224

Question Serial No.

1768

Head : 181 Trade and Industry Department Subhead (No. & title) :

Programme : (3) Support for Small and Medium Enterprises and Industries

Controlling Officer : Director-General of Trade and Industry

Director of Bureau : Secretary for Commerce and Economic Development

Question:

Facing the impact of Mainland's policies and inflation, Hong Kong enterprises are getting more and more difficult to operate in the Mainland. Apart from providing loan guarantee services, what assistance will the Government provide to these enterprises? Will there be any plan to help enterprises open new markets in 2011-12? What are the expenses involved?

Asked by: Hon. WONG Ting-kwong

Reply:

To help Hong Kong enterprises face the challenges of operating in the Mainland, the Trade and Industry Department (TID) has maintained close liaison with the relevant Mainland authorities to reflect the views and suggestions on policies that affect Hong Kong enterprises. Various facilitation measures were launched in the Mainland in 2008 and 2009, including "suspending the actual payment of standing book deposit for processing trade enterprises", "restructuring without stopping production, carrying forward without appraising the value" etc. The Guangdong Province also announced in 2009 some 30 support measures covering nine areas to help Hong Kong, Macao and Taiwan enterprises restructure and upgrade their businesses, including reduction or waiving of certain taxes and fees, implementation of "restructuring without stopping production" and "consolidated tax return for multiple domestic sales". Moreover, TID and other trade and industrial support organisations will continue to disseminate information regarding the Mainland market and relevant policies to Hong Kong enterprises, helping them to grasp the updated news of the Mainland market.

TID endeavours to assist Hong Kong enterprises in developing brands and exploring the Mainland and overseas markets. Its SME Export Marketing Fund (EMF) subsidises small and medium enterprises (SMEs) to participate in export promotion activities; the maximum grant for each SME is \$150,000. The SME Development Fund (SDF) provides financial support to projects carried out by trade and industrial organisations, support organisations and professional bodies to enhance the competitiveness of Hong Kong's SMEs. The maximum amount of funding support for each project is \$2 million.

In 2011-12, the SDF will encourage eligible organisations to submit projects which can help SMEs in developing and promoting brands, expanding domestic sales in the Mainland and exploring emerging markets. We also plan to submit a proposal for injecting an additional \$1 billion into the EMF and SDF to the Legislative Council. In addition, TID will continue to maintain close liaison with the trade and co-operate with the Trade Development Council, the Hong Kong Productivity Council and other trade and industrial organisations in organising

Examination of Estimates of Expenditure 2011-12

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)227

Question Serial No.

1055

Head : 707 -New Towns and Urban
Area Development

Subhead : 7736CL Site formation for
Kai Tak cruise terminal
development

Programme : (1) Tourism and Recreational Development

Controlling Officer : Director of Civil Engineering and Development

Director of Bureau : Secretary for Commerce and Economic Development

Question :

The Administration stated that the approved project estimate for “the site formation for Kai Tak cruise terminal development” is \$2,303.9 million, whereas the actual expenditure is \$62.2 million plus up to 31 March 2010 and the estimated expenditure in 2011-12 is only \$240 million. What is the time table for using the remaining \$2,000 million plus? How can the progress of works be expedited?

Asked by : Hon. LAU Sau-shing, Patrick

Reply :

The construction of the new cruise terminal at Kai Tak is well underway. As regards the site formation works, with good progress, the estimated expenditure in 2010-11 under the project will be well above \$400 million. The forecast spending on site formation in 2011-12 will be another \$240 million. The remaining expenditure will be incurred between the years 2012-13 and 2016-17 to tie in with the anticipated progress of the works which are scheduled for completion in phases by 2015. The target commissioning date of the first berth of the cruise terminal is mid-2013.

Signature _____

Name in block letters _____

C K HON

Post Title _____

Director of Civil Engineering and Development

Date _____

15.3.2011