

立法會
Legislative Council

LC Paper No. CB(1)1547/11-12
(These minutes have been seen
by the Administration)

Ref : CB1/PL/CI/1

Panel on Commerce and Industry

Minutes of meeting
held on Tuesday, 21 February 2012, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex

Members present : Hon WONG Ting-kwong, BBS, JP (Chairman)
Hon Vincent FANG Kang, SBS, JP (Deputy Chairman)
Hon Fred LI Wah-ming, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon CHIM Pui-chung
Hon Starry LEE Wai-king, JP
Dr Hon LAM Tai-fai, BBS, JP
Dr Hon Samson TAM Wai-ho, JP
Hon Tanya CHAN
Hon Albert CHAN Wai-yip

Members absent : Hon Timothy FOK Tsun-ting, GBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Mrs Regina IP LAU Suk-yeet, GBS, JP

Public officers attending : Agenda item IV
Mr Andrew WONG, JP
Permanent Secretary for Commerce and Economic
Development (Commerce, Industry and Tourism)

Ms Linda LAI, JP
Deputy Secretary for Commerce and Economic
Development (Commerce and Industry)1

Mr Simon GALPIN
Director-General of Investment Promotion

Miss Victoria TANG
Assistant Director-General of Investment
Promotion

Agenda item V

Mr Andrew WONG, JP
Permanent Secretary for Commerce and Economic
Development (Commerce, Industry and Tourism)

Ms Linda LAI, JP
Deputy Secretary for Commerce and Economic
Development (Commerce and Industry)1

Mrs Candy YEUNG
Principal Assistant Secretary for Commerce and
Economic Development (Commerce and Industry)1

Agenda Item VI

Ms Linda LAI, JP
Deputy Secretary for Commerce and Economic
Development (Commerce and Industry)1

Mrs Candy YEUNG
Principal Assistant Secretary for Commerce and
Economic Development (Commerce and Industry)1

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

Staff in attendance : Miss Rita YUNG
Council Secretary (1)3

Ms May LEUNG
Legislative Assistant (1)3

Action

I. Confirmation of minutes of meeting

(LC Paper No. CB(1)1039/11-12 -- Minutes of meeting held on 20 December 2011)

The minutes of the meeting held on 20 December 2011 were confirmed.

II. Information papers issued since last meeting

(LC Paper No. CB(1)878/11-12(01) -- Submission from the Hong Kong Convention and Exhibition Centre regarding views on exhibition industry dated 9 January 2012
(*English version only*)

LC Paper No. CB(1)923/11-12(01) -- Administration's paper on the Hong Kong/Shanghai Economic and Trade Co-operation Conference

LC Paper No. CB(1)923/11-12(02) -- Administration's paper on the 17th Working Meeting of the Hong Kong/Guangdong Co-operation Joint Conference)

2. Members noted that the above papers had been issued since the last meeting.

III. Date of next meeting and items for discussion

(LC Paper No. CB(1)1077/11-12(01) -- List of outstanding items for discussion

LC Paper No. CB(1)1077/11-12(02) -- List of follow-up actions)

3. Members noted that the next regular Panel meeting would be held on 20 March 2012 at 2:30 pm to discuss the following items:

(a) Concessionary measures under the SME Financing Guarantee

Scheme;

- (b) Support for Hong Kong enterprises in branding, upgrading and domestic sales; and
- (c) Budget-related initiatives to promote the development of innovation and technology and testing and certification in Hong Kong.

IV. Promotion of inward investment

(LC Paper No. CB(1)1077/11-12(03) -- Administration's paper on promotion of inward investment

LC Paper No. CB(1)1077/11-12(04) -- Paper on promotion of inward investment prepared by the Legislative Council Secretariat (updated background brief))

Discussion

4. In response to the Chairman's enquiry on whether the Administration had accorded priority to certain business sectors and industries in its investment promotion activities in Taiwan, Director-General of Investment Promotion (DGIP) advised that InvestHK had continued to step up its promotion efforts in attracting more inward investment from Taiwan, in particular in the financial services as well as innovation and technology sectors.

5. Noting that InvestHK had conducted a seminar in partnership with the Guangzhou Municipal Government (the seminar) in Taipei to promote the combined business advantages offered by the economic integration of the two places, the Chairman enquired about the concerns and issues raised by the participants in relation to their decisions to set up business in Hong Kong.

6. In response, DGIP advised that the seminar conducted in August 2011 was well received with the participation of over 250 senior business executives. Companies in Taiwan expressed interests in how they could raise capital in Hong Kong, partner with and leverage on the service providers in Hong Kong in tapping business opportunities, and use Hong Kong as a treasury centre to manage their treasury functions for their operations in the Mainland.

7. Ms Emily LAU said that she had received complaints from the international business community about the problems of insufficient international school places and air pollution in Hong Kong. She considered that these two problems would discourage multinational companies from investing in Hong Kong. She enquired whether the Commerce and Economic Development Bureau (CEDB) had any measures put in place to address these problems.

8. Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (PSCIT) responded that CEDB noted the international business community's concerns on the shortage of international school places and air pollution. CEDB was aware that despite there were vacant school places, many expatriate parents had their own preferences on the location of international schools and there appeared to be a strong demand on primary school places on the Hong Kong Island. CEDB had relayed the relevant views and concerns to the Education Bureau. He supplemented that the Administration strived to promote the development of the international school sector. Measures included allocating vacant school premises and greenfield sites for the development of international schools, as well as facilitating in-situ expansion of existing international schools. In addition, international schools being allocated vacant school premises and greenfield sites were required to reserve no less than 70% of their school places for non-local students after their expansion.

9. Noting that the application procedure for expanding international schools in Hong Kong was complicated, involving many different Government departments, Ms Emily LAU suggested that the Administration should set up a high level committee to co-ordinate the work of different departments in dealing with issues raised by the international business community, such as international school places.

10. In response, PSCIT advised that the International Business Committee (IBC), chaired by the Chief Secretary for Administration, was set up to maintain regular dialogue with major foreign chambers of commerce in Hong Kong. IBC met a few times a year to facilitate exchange between the Administration and the international business community on Government policies, latest economic developments and initiatives to strengthen Hong Kong's position as an international business and financial centre.

11. At the request of Mr Albert CHAN, PSCIT undertook to provide the breakdown of the investment amounts of projects completed by Invest Hong Kong (InvestHK) by sector, in particular the financial services, innovation and technology and creative industries sectors, and by regional source market

over the past three years.

V. Reduction of the import and export declaration charges

(LC Paper No. CB(1)1077/11-12(05) -- Administration's paper on reduction of the import and export declaration charges)

Discussion

12. Members noted the proposed reduction of the import and export declaration charges (TDEC) as set out in the Administration's paper (LC Paper No. CB(1)1077/11-12(05)). In his 2012-2013 Budget Speech, the Financial Secretary (FS) announced a package of measures to support Hong Kong enterprises by reducing their operating costs and enhancing their competitiveness in the face of a worsening external economic environment. The proposed measure to halve TDEC would provide timely assistance to the import and export trade.

13. Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (PSCIT) advised that subject to members' views, the Administration would implement the proposal by introducing the necessary legislative amendments to the Import and Export (Registration) Regulations (Cap. 60E). The Administration's plan was to complete all the necessary procedures as soon as possible so as to enable the proposal to come into operation within the current legislative year.

14. Mr Albert CHAN noted that many workers or employees were required to apply for various kinds of licence or permit before they could perform specific type of work, such as operating certain kinds of machine. However, FS did not propose any reduction of the fees for these licences or permits. Mr CHAN opined that it was unfair to the general working class and therefore opposed the proposed reduction of TDEC.

15. In response, PSCIT advised that the import and export industry had all along been one of the pillar industries of Hong Kong. According to the Census and Statistics Department, the import and export trade alone brought about \$336.9 billion economic contribution to Hong Kong in 2010, which amounted to about one-fifth of the Gross Domestic Product of Hong Kong in the same year. The import and export industry was mainly composed of small and medium sized enterprises (SMEs), employing nearly 505 000 persons in the third quarter of 2011, which represented 13.9% of Hong Kong's total employment. In view of the worsening external economic environment, the Administration considered it necessary to help the import

and export industry, in particular SMEs, by reducing their operating costs so as to protect local employment.

16. Ms Tanya CHAN enquired whether the Administration would propose to increase TDEC when the economic situation improved in the future. She expressed concern whether there would be strong opposition if the Administration proposed to increase TDEC back to the current level in the future.

17. PSCIT responded that the Administration had proposed increases or reduction to TDEC in the past. Proposal to adjust TDEC would be made after taking into account a basket of factors including the global and local economic and business environment and the financial situation of Hong Kong.

18. Mr Vincent FANG expressed support for the proposed reduction of TDEC to help the import and export industry weather the difficult period. Noting that the Administration had proposed to waive the business registration fees for 2012-2013 to benefit all business operators, Mr FANG suggested that the Administration should also waive the hawker licence fees which was of similar nature as the business registration. PSCIT agreed to relay Mr FANG's suggestion to the relevant bureau/department for consideration.

(Post-meeting notes: The Commerce and Economic Development had relayed the suggestion to the Financial Services and the Treasury Bureau and the Food and Health Bureau for consideration on 28 February 2012.)

19. The Chairman concluded that the majority of the Panel supported in principle the Administration's proposal.

VI. International Organizations (Privileges and Immunities) (Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction) Order

(LC Paper No. CB(1)1077/11-12(06) -- Administration's paper on International Organizations (Privileges and Immunities) (Convention on the Prohibition of the Development, Production, Stockpiling and Use of

Discussion

20. The Panel noted that the proposed subsidiary legislation was to be made under the International Organization (Privileges and Immunities) Ordinance (Cap. 558) to give effect to the privileges and immunities accorded to inspection teams from the Technical Secretariat of the Organization for the Prohibition of Chemical Weapons and observers for the conduct of inspection activities under the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction (the Convention). To implement the Convention in the Hong Kong Special Administrative Region (HKSAR), the Administration introduced the Chemical Weapons (Convention) Ordinance (Cap. 578) which came into effect in 2004. In this connection, Mr Albert CHAN enquired whether the Hong Kong Garrison of the Chinese People's Liberation Army (Hong Kong Garrison) was subject to the regulation of the Chemical Weapons (Convention) Ordinance.

21. In response, Deputy Secretary for Commerce and Economic Development (Commerce and Industry)¹ (DSCED) advised that pursuant to the Convention, the HKSAR was required to ban the use and development of chemical weapons and to destroy any chemical weapons or related production facilities in its possession or located in any place under its jurisdiction or control. Currently, there was no local production or storage of chemical weapons or declarable chemical facilities under the scope of the Convention in the HKSAR. DSCED undertook to advise how it enforced the Chemical Weapons (Convention) Ordinance in relation to the Hong Kong Garrison.

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22. The Chairman concluded that the Panel supported in principle the Administration's proposal.

VII. Any other business

23. There being no other business, the meeting ended at 3:00 pm.