

**Replies to initial written questions raised by Finance Committee Members in examining the Estimates of Expenditure 2013-14**

**Director of Bureau : Secretary for Commerce and Economic Development  
Session No. : 11**

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<a href="#">CEDB(CIT)016</a>	4750	CHAN Ka-lok, Kenneth	152	(5) Subvention: Consumer Council
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<a href="#">CEDB(CIT)029</a>	3127	CHAN Kam-lam	152	(3) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)030</a>	1684	CHAN Wai-yip, Albert	152	(2) Commerce and Industry
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<a href="#">CEDB(CIT)049</a>	1289	CHUNG Kwok-pan	152	(2) Commerce and Industry
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<a href="#">CEDB(CIT)136</a>	1561	SIN Chung-kai	152	(4) Posts, Competition Policy and Consumer Protection
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<a href="#">CEDB(CIT)147</a>	1990	SIN Chung-kai	152	(5) Subvention: Consumer Council
<a href="#">CEDB(CIT)148</a>	1991	SIN Chung-kai	152	(5) Subvention: Consumer Council
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<a href="#">CEDB(CIT)150</a>	1996	SIN Chung-kai	152	(3) Subvention: Hong Kong Trade Development Council
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<a href="#">CEDB(CIT)158</a>	1896	TIEN Pei-chun, James	152	(6) Travel and Tourism
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<a href="#">CEDB(CIT)162</a>	1905	TIEN Pei-chun, James	152	(2) Commerce and Industry
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<a href="#">CEDB(CIT)166</a>	4914	TIEN Puk-sun, Michael	152	(2) Commerce and Industry
<a href="#">CEDB(CIT)167</a>	0628	TONG Ka-wah, Ronny	152	(2) Commerce and Industry
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<a href="#">CEDB(CIT)169</a>	1671	TSE Wai-chun, Paul	152	(6) Travel and Tourism
<a href="#">CEDB(CIT)170</a>	1672	TSE Wai-chun, Paul	152	(6) Travel and Tourism
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<a href="#">CEDB(CIT)173</a>	1675	TSE Wai-chun, Paul	152	(6) Travel and Tourism
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<a href="#">CEDB(CIT)178</a>	1680	TSE Wai-chun, Paul	152	(7) Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)179</a>	1681	TSE Wai-chun, Paul	152	(7) Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)180</a>	1682	TSE Wai-chun, Paul	152	(7) Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)181</a>	1683	TSE Wai-chun, Paul	152	(7) Subvention: Hong Kong Tourism Board
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<a href="#">CEDB(CIT)184</a>	3021	TSE Wai-chun, Paul	152	(7) Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)185</a>	3022	TSE Wai-chun, Paul	152	(7) Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)186</a>	3179	TSE Wai-chun, Paul	152	(7) Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)187</a>	3181	TSE Wai-chun, Paul	152	(7) Subvention: Hong Kong Tourism Board
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<a href="#">CEDB(CIT)192</a>	1223	WONG Ting-kwong	152	(2) Commerce and Industry
<a href="#">CEDB(CIT)193</a>	1225	WONG Ting-kwong	152	(3) Subvention: Hong Kong Trade Development Council
<a href="#">CEDB(CIT)194</a>	1229	WONG Ting-kwong	152	(2) Commerce and Industry
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<a href="#">CEDB(CIT)196</a>	1239	WONG Ting-kwong	152	(2) Commerce and Industry
<a href="#">CEDB(CIT)197</a>	1249	WONG Ting-kwong	152	(2) Commerce and Industry
<a href="#">CEDB(CIT)198</a>	1250	WONG Ting-kwong	152	(2) Commerce and Industry
<a href="#">CEDB(CIT)199</a>	1251	WONG Ting-kwong	152	(3) Subvention: Hong Kong Trade Development Council
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<a href="#">CEDB(CIT)203</a>	1261	WONG Ting-kwong	152	(6) Travel and Tourism
<a href="#">CEDB(CIT)204</a>	4566	YICK Chi-ming, Frankie	152	(2) Commerce and Industry
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<a href="#">CEDB(CIT)206</a>	2163	YIU Si-wing	152	(6) Travel and Tourism
<a href="#">CEDB(CIT)207</a>	2167	YIU Si-wing	152	(6) Travel and Tourism
<a href="#">CEDB(CIT)208</a>	2169	YIU Si-wing	152	(7) Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)209</a>	2170	YIU Si-wing	152	(6) Travel and Tourism
<a href="#">CEDB(CIT)210</a>	2172	YIU Si-wing	152	(6) Travel and Tourism
<a href="#">CEDB(CIT)211</a>	2173	YIU Si-wing	152	(2) Commerce and Industry
<a href="#">CEDB(CIT)212</a>	2174	YIU Si-wing	152	(7) Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)213</a>	2184	YIU Si-wing	152	(6) Travel and Tourism
<a href="#">CEDB(CIT)214</a>	2185	YIU Si-wing	152	(6) Travel and Tourism
<a href="#">CEDB(CIT)215</a>	2186	YIU Si-wing	152	(2) Commerce and Industry
<a href="#">CEDB(CIT)216</a>	2188	YIU Si-wing	152	(6) Travel and Tourism
<a href="#">CEDB(CIT)217</a>	2189	YIU Si-wing	152	(6) Travel and Tourism
<a href="#">CEDB(CIT)218</a>	2190	YIU Si-wing	152	(6) Travel and Tourism (7) Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)219</a>	2191	YIU Si-wing	152	(7) Subvention: Hong Kong Tourism Board
<a href="#">CEDB(CIT)220</a>	2192	YIU Si-wing	152	(4) Posts, Competition Policy and Consumer Protection
<a href="#">CEDB(CIT)221</a>	2193	YIU Si-wing	152	(5) Subvention: Consumer Council

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<a href="#">CEDB(CIT)223</a>	2200	YIU Si-wing	152	(6) Travel and Tourism
<a href="#">CEDB(CIT)224</a>	5476	YIU Si-wing	152	(6) Travel and Tourism
<a href="#">CEDB(CIT)225</a>	1857	CHEUNG Wah-fung, Christopher	96	(-) -
<a href="#">CEDB(CIT)226</a>	0416	CHUNG Shu-kun, Christopher	96	(2) Public Relations
<a href="#">CEDB(CIT)227</a>	3115	HO Sau-lan, Cyd	96	(-) -
<a href="#">CEDB(CIT)228</a>	3791	LAM Tai-fai	96	(1) Commercial Relations
<a href="#">CEDB(CIT)229</a>	0124	LEUNG Kwan-yuen, Andrew	96	(1) Commercial Relations
<a href="#">CEDB(CIT)230</a>	0144	LEUNG Kwan-yuen, Andrew	96	(-) -
<a href="#">CEDB(CIT)231</a>	2460	MA Fung-kwok	96	(2) Public Relations
<a href="#">CEDB(CIT)232</a>	4992	MOK, Charles Peter	96	(-) -
<a href="#">CEDB(CIT)233</a>	4993	MOK, Charles Peter	96	(2) Public Relations
<a href="#">CEDB(CIT)234</a>	4995	MOK, Charles Peter	96	(1) Commercial Relations
<a href="#">CEDB(CIT)235</a>	4616	QUAT, Elizabeth	96	(1) Commercial Relations
<a href="#">CEDB(CIT)236</a>	4581	TIEN Pei-chun, James	96	(-) -
<a href="#">CEDB(CIT)237</a>	5384	WONG Kwok-hing	22	(2) Nature Conservation and Country Parks
<a href="#">CEDB(CIT)238</a>	2194	YIU Si-wing	22	(2) Nature Conservation and Country Parks
<a href="#">CEDB(CIT)239</a>	4571	YICK Chi-ming, Frankie	26	(1) Trade Statistics
<a href="#">CEDB(CIT)240</a>	3490	CHEUNG Yu-yan, Tommy	31	(3) Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)241</a>	1290	CHUNG Kwok-pan	31	(3) Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)242</a>	0505	HO Sau-lan, Cyd	31	(3) Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)243</a>	3231	KWOK Ka-ki	31	(3) Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)244</a>	3232	KWOK Ka-ki	31	(3) Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)245</a>	4496	KWOK Ka-ki	31	(3) Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)246</a>	4497	KWOK Ka-ki	31	(3) Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)247</a>	4498	KWOK Ka-ki	31	(3) Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)248</a>	0123	LEUNG Kwan-yuen, Andrew	31	(1) Control and Enforcement
<a href="#">CEDB(CIT)249</a>	2667	MOK, Charles Peter	31	(3) Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)250</a>	2506	SIN Chung-kai	31	(3) Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)251</a>	5040	TANG Ka-piu	31	(3) Intellectual Property Rights and Consumer Protection
<a href="#">CEDB(CIT)252</a>	3938	WONG Kwok-kin	31	(3) Intellectual Property Rights and Consumer Protection
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<a href="#">CEDB(CIT)256</a>	2195	YIU Si-wing	33	(1) Tourism and Recreational Development
<a href="#">CEDB(CIT)257</a>	4741	CHAN Ka-lok, Kenneth	78	(2) Protection of Intellectual Property
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<a href="#">CEDB(CIT)259</a>	3654	HO Sau-lan, Cyd	78	(-) -
<a href="#">CEDB(CIT)260</a>	0120	LEUNG Kwan-yuen, Andrew	78	(1) Statutory Functions
<a href="#">CEDB(CIT)261</a>	0121	LEUNG Kwan-yuen, Andrew	78	(2) Protection of Intellectual Property
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<a href="#">CEDB(CIT)263</a>	2291	LIAO Cheung-kong, Martin	78	(1) Statutory Functions (2) Protection of Intellectual Property
<a href="#">CEDB(CIT)264</a>	1443	LO Wai-kwok	78	(2) Protection of Intellectual Property
<a href="#">CEDB(CIT)265</a>	2678	MOK, Charles Peter	78	(2) Protection of Intellectual Property
<a href="#">CEDB(CIT)266</a>	5016	MOK, Charles Peter	78	(2) Protection of Intellectual Property
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<a href="#">CEDB(CIT)269</a>	1572	SIN Chung-kai	78	(2) Protection of Intellectual Property
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<a href="#">CEDB(CIT)271</a>	1574	SIN Chung-kai	78	(2) Protection of Intellectual Property
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<a href="#">CEDB(CIT)273</a>	1998	SIN Chung-kai	78	(2) Protection of Intellectual Property
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<a href="#">CEDB(CIT)275</a>	3442	CHAN Ka-lok, Kenneth	79	(-) Investment Promotion
<a href="#">CEDB(CIT)276</a>	1859	CHEUNG Wah-fung, Christopher	79	(-) Investment Promotion
<a href="#">CEDB(CIT)277</a>	1280	CHUNG Kwok-pan	79	(-) Investment Promotion
<a href="#">CEDB(CIT)278</a>	2331	FAN Kwok-wai, Gary	79	(-) Investment Promotion
<a href="#">CEDB(CIT)279</a>	3655	HO Sau-lan, Cyd	79	(-) Investment Promotion
<a href="#">CEDB(CIT)280</a>	1104	LAM Kin-fung, Jeffrey	79	(-) Investment Promotion
<a href="#">CEDB(CIT)281</a>	0122	LEUNG Kwan-yuen, Andrew	79	(-) Investment Promotion
<a href="#">CEDB(CIT)282</a>	1460	LO Wai-kwok	79	(-) Investment Promotion
<a href="#">CEDB(CIT)283</a>	1576	SIN Chung-kai	79	(-) Investment Promotion
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<a href="#">CEDB(CIT)287</a>	1923	TIEN Pei-chun, James	79	(-) Investment Promotion
<a href="#">CEDB(CIT)288</a>	1242	WONG Ting-kwong	79	(-) Investment Promotion
<a href="#">CEDB(CIT)289</a>	1258	WONG Ting-kwong	79	(-) Investment Promotion
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<a href="#">CEDB(CIT)291</a>	4868	CHAN Ka-lok, Kenneth	168	(1) Weather Services
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<a href="#">CEDB(CIT)293</a>	4438	FUNG Kin-kee, Frederick	168	(1) Weather Services
<a href="#">CEDB(CIT)294</a>	3646	HO Sau-lan, Cyd	168	(-) -
<a href="#">CEDB(CIT)295</a>	4472	KWOK Ka-ki	168	(1) Weather Services
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<a href="#">CEDB(CIT)298</a>	4475	KWOK Ka-ki	168	(1) Weather Services
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<a href="#">CEDB(CIT)300</a>	0188	LAU Wong-fat	168	(-) -
<a href="#">CEDB(CIT)301</a>	5044	TANG Ka-piu	168	(1) Weather Services
<a href="#">CEDB(CIT)302</a>	5045	TANG Ka-piu	168	(1) Weather Services
<a href="#">CEDB(CIT)303</a>	4232	CHAN Ka-lok, Kenneth	181	(1) Commercial Relations
<a href="#">CEDB(CIT)304</a>	4233	CHAN Ka-lok, Kenneth	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)305</a>	4234	CHAN Ka-lok, Kenneth	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)306</a>	4235	CHAN Ka-lok, Kenneth	181	(-) -
<a href="#">CEDB(CIT)307</a>	2376	CHIANG Lai-wan	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)308</a>	1274	CHUNG Kwok-pan	181	(1) Commercial Relations
<a href="#">CEDB(CIT)309</a>	1275	CHUNG Kwok-pan	181	(2) Trade Support and Facilitation
<a href="#">CEDB(CIT)310</a>	1276	CHUNG Kwok-pan	181	(2) Trade Support and Facilitation
<a href="#">CEDB(CIT)311</a>	1277	CHUNG Kwok-pan	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)312</a>	0815	CHUNG Shu-kun, Christopher	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)313</a>	3667	HO Sau-lan, Cyd	181	(-) -
<a href="#">CEDB(CIT)314</a>	1028	LAM Kin-fung, Jeffrey	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)315</a>	0720	LAM Tai-fai	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)316</a>	3759	LAM Tai-fai	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)317</a>	0196	LEUNG Kwan-yuen, Andrew	181	(2) Trade Support and Facilitation
<a href="#">CEDB(CIT)318</a>	0265	LEUNG Kwan-yuen, Andrew	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)319</a>	1088	LEUNG Mei-fun, Priscilla	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)320</a>	1445	LO Wai-kwok	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)321</a>	5017	MOK, Charles Peter	181	(3) Support for Small and Medium Enterprises and Industries

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<a href="#">CEDB(CIT)323</a>	1570	SIN Chung-kai	181	(2) Trade Support and Facilitation
<a href="#">CEDB(CIT)324</a>	5096	TANG Ka-piu	181	(2) Trade Support and Facilitation
<a href="#">CEDB(CIT)325</a>	5097	TANG Ka-piu	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)326</a>	1935	TIEN Pei-chun, James	181	(1) Commercial Relations
<a href="#">CEDB(CIT)327</a>	1936	TIEN Pei-chun, James	181	(-) -
<a href="#">CEDB(CIT)328</a>	3270	TIEN Puk-sun, Michael	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)329</a>	4300	WONG Kwok-hing	181	(1) Commercial Relations
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<a href="#">CEDB(CIT)331</a>	4302	WONG Kwok-hing	181	(2) Trade Support and Facilitation
<a href="#">CEDB(CIT)332</a>	1231	WONG Ting-kwong	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)333</a>	1245	WONG Ting-kwong	181	(2) Trade Support and Facilitation
<a href="#">CEDB(CIT)334</a>	1246	WONG Ting-kwong	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)335</a>	4565	YICK Chi-ming, Frankie	181	(2) Trade Support and Facilitation
<a href="#">CEDB(CIT)336</a>	2187	YIU Si-wing	181	(3) Support for Small and Medium Enterprises and Industries
<a href="#">CEDB(CIT)337</a>	3939	WONG Kwok-kin	152	(6) Travel and Tourism

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

**CEDB(CIT)001**

Question Serial No.

0778

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:

It was stated in paragraph 37 of the Budget Speech that the Government would offer a \$2.3 billion loan to Ocean Park for its expansion works. Please advise:

- a) the amount of resources to be allocated by the Government to develop and improve the community infrastructures and hotel facilities to support the new tourism facilities;
- b) the infrastructural projects and number of hotels under planning as well as the jobs that will be created;
- c) the number of works stages required and completion dates for the above supporting facilities; and
- d) the manner and time period for recovering the investments by the Government?

Asked by: Hon. CHAN Han-pan

Reply:

To tie in with the Ocean Park's Master Redevelopment Plan, the Government has already completed a series of public works, including improving the sewerage of the Ocean Park and the pick-up and drop-off facilities for public transport. Therefore, the Government does not need to carry out additional public works for the Tai Shue Wan Development Project.

In addition, the completion of the South Island Line (East) in 2015 will significantly increase the traffic capacity in the vicinity of the Ocean Park. The consultant of the Ocean Park expected that the transport system would still be able to support the expected passenger and traffic demand after the completion of the Tai Shue Wan Development Project in 2017. Meanwhile, the Ocean Park Corporation has planned to build two hotels within the Park. Of them, the re-tender of the Ocean Hotel will close in the second quarter this year. The Ocean Park will commence the relevant selection exercise. The tender exercise for the Fishermen's Wharf Hotel will tie in with the schedule of the Tai Shue Wan Development Project and details will be announced later. These hotels are expected to generate some 620 job opportunities upon completion.

The Government will provide a \$2.3 billion loan, at a floating interest rate equivalent to the interest rate of the Government's fiscal reserves placed with the Exchange Fund, for the Tai Shue Wan Development Project. The loan term will be 20 years. The hotel development of the Ocean Park will be undertaken by private developers and the Government does not need to provide any financial support.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)002**

Question Serial No.

0779

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:

It is mentioned in paragraph 37 of the Budget Speech that Hong Kong Disneyland will launch a night-time parade and put in place a new themed area in the coming few years. What specific measures will the Government undertake to enhance the tourism facilities and ancillary services on Lantau Island to support the expansion of the themed park?

Asked by: Hon. CHAN Han-pan

Reply:

The Government is committed to enhancing and developing tourism facilities in Lantau. A number of new tourism attractions apart from the Hong Kong Disneyland (HKD) were completed on Lantau in the past few years, including AsiaWorld-Expo, Ngong Ping 360, Ngong Ping Piazza and Wisdom Path, and the Tai O Heritage Hotel converted from the former Tai O Police Station. In the coming years, HKD will launch a new night-time parade and put in place a new themed area featuring "Marvel heroes". The Civil Engineering and Development Department will also continue its improvement works for Mui Wo Facelift as well as completing the improvement works at Tai O in phases. In addition, the new hotel cum convention facilities at Discovery Bay is already soft opened in March this year. All these new tourism facilities will strengthen the appeal of Lantau tourism.



We will leverage on the opportunities arising from the opening of the Hong Kong-Zhuhai-Macao Bridge in 2016 and continue to look into the feasibility of opening up new tourism attractions on Lantau with a view to further promoting the tourism development of Lantau.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)003**

Question Serial No.

0859

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 Financial Secretary mentions in the Budget that the Government needs to devote more efforts to enhancing tourism infrastructure, hotel supply, market promotion, service support, etc. Please advise on the following:

- a. To ease the shortage of hotel rooms in Hong Kong, will the Administration deploy resources to conduct studies on the formulation of home-stay lodgings policy? If yes, what are the details? If not, what are the reasons?
- b. If there are no plans to develop the home-stay lodgings policy, how will the Government promote district and ecological tourism? Please provide the relevant details.

Asked by: Hon. CHAN Han-pan

Reply:

- a. The Government hopes that visitors can have diversified experience during their stay in Hong Kong. However, there are several problems in developing home-stay lodgings in Hong Kong, including –
  - Farms, fishing villages and villages in overseas countries are able to provide visitors a strong rural home feeling. On the contrary, Hong Kong as a metropolis is difficult to offer similar ambience to visitors.

- The crowded living conditions in Hong Kong, with most of our flats located in skyscrapers, render it hard to make available space from existing units for subletting. Small living space will also generate problems related to health, fire safety, personal safety (especially to women), and third party risks insurance, etc. It would also be difficult to offer visitors comfortable accommodation. This might also affect the image of Hong Kong.
- Neighbours of flats providing home-stay services may not welcome frequent appearance of visitors. This is not conducive to providing visitors with a warm home feeling.

Having taken into account the above factors, we have no plan to promote home-stay lodgings in Hong Kong.

b. The Hong Kong Tourism Board (HKTB), through various channels, encourages visitors to explore different districts of Hong Kong. The initiatives include:

- Organising large scale events in different districts, and injecting new elements to existing events so as to attract more visitors to these districts. Examples of such events include the festive celebrations held under the Hong Kong Cultural Celebrations in different districts in May, which promote traditional festivals such as the birthdays of Tin Hau and Buddha; the Hong Kong Wine and Dine Month in November that promotes culinary events and activities in different dining districts; and the Christmas lights and decorations installed in different districts during the Hong Kong WinterFest in December.
- Introducing the “New Product Development Scheme” which offers funding support to local travel agencies and tour operators. The scheme aims to encourage the development of innovative land-based theme tours that take visitors to explore different districts and tourism offerings of Hong Kong.

In 2013-14, the HKTB will continue to leverage on the “Great Outdoors Hong Kong” campaign to promote green tourism, with the duration to be extended from five weeks last year to three months this year. The HKTB will focus on the promotion of the Hong Kong Global Geopark of China, hiking trails and the Outlying Islands, and will promote Hong Kong’s greenery to visitors through channels such as smart phone applications and guided tours.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)004**

Question Serial No.

3452

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:

1. How many inspections did the Government conduct in respect of the cable car system of Ngong Ping 360 last year and what was the expenditure involved?
2. How many reports on mechanical incidents involving Ngong Ping 360 did the Government receive last year? Please provide a monthly breakdown of the related data, details of the incidents, dates of service suspension or duration of service disruption.

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

1. In 2012, the Electrical and Mechanical Services Department (EMSD) conducted 69 inspections for the ropeway system of Ngong Ping 360. The annual expenditure in enforcing aerial ropeway safety of Ngong Ping 360 by EMSD in 2012-13 is about \$1.5 million.
2. According to the established reporting mechanism, Ngong Ping 360 is required to inform relevant government departments as well as the public through the electronic media within 30 minutes of an occurrence of suspension of cable car service that is expected to last for 30 minutes or more. In 2012, there were two service interruptions of Ngong Ping 360 which required activation of the reporting mechanism. The details are as follows:

<b>Date</b>	<b>Incident reported</b>	<b>Stoppage Duration</b>
25 January 2012	Failure of bearings of Bullwheel no.4 at the Airport Island Angling Station	14:49 – 15:22 (33 minutes) Cable car operation was stopped to carry out checking and maintenance. 15:22 - 16:53 (1 hour 31 minutes) Passenger boarding was stopped. However, the ropeway still continued to operate until alighting of all passengers.*
8 October 2012	Unsmooth operation of a tyre hub at Nei Lak Shan Angling Station	11:13 – 11:37 (24 minutes) Passenger boarding was stopped. However, the ropeway still continued to operate until alighting of all passengers. 11:37 – 11:57 (20 minutes) Cable car service was stopped for replacement of tyre hub.

\* Ngong Ping 360 announced the suspension of cable car service subsequently. Cable car service was resumed on 5 April 2012 after completion of replacement of the bearings of all seven sets of bullwheels and the advancement of annual inspection.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)005**

Question Serial No.

4737

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:

In view of the ever-rising cost of doing business in Hong Kong, will the Administration allocate resources in 2013-2014 to review the subsidy and loan schemes currently provided to small and medium enterprises (SMEs) to further support their development? If yes, what are the work plan and estimated expenditure? If no, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The Government attaches great importance to the development of SMEs. We review the various government support measures on an on-going basis in order to provide adequate and timely support to the SMEs.

The 2013-14 Budget has announced a series of measures to provide enhanced support for SMEs. No additional funding would be required. Details are as follows:

(a) The application period for the special concessionary measures under the SME Financing Guarantee Scheme (SFGS) has been extended for one year up to the end of February 2014. The Government would continue to provide a total loan guarantee commitment of \$100 billion; the extension of application period does not involve additional government resources.

(b) The Government will continue to implement the \$1 billion Dedicated Fund on Branding, Upgrading and Domestic Sales to provide funding support to individual enterprises and non-profit-distributing organisations, so as to assist enterprises in enhancing their competitiveness and facilitating their business development in the Mainland. Continue implementing the BUD Fund does not involve additional government resources.

(c) The Hong Kong Trade Development Council (TDC) plans to open new Design Gallery shops in Wuhan and Qingdao in 2013-14, and Chengdu in 2014-15, in order to further expand the network of Design Gallery shops in the Mainland. In addition, the TDC is collaborating with department stores in the Mainland to open a series of Design Gallery inside the stores under the concept of “shop-in-shop”.

The TDC estimates that the Design Gallery shops in Wuhan and Qingdao would be open in April and July this year respectively. The first “shop-in-shop” inside a department store will be open on 28 March in Shanghai this year, whereas another two “shops-in-shop” in Beijing and two more “shops-in-shop” in Wuhan will commence operation in July and October this year respectively.

The relevant expenditure is included in the TDC’s budget and does not involve additional government resources.

(d) The Government plans to increase the cumulative grant ceiling for each SME under the SME Export Marketing Fund (EMF) from \$150,000 to \$200,000, subject to the meeting of relevant additional conditions. As of February 2013, there are more than 37 000 SME beneficiaries of the EMF, among which some 4 700 have exhausted their \$150,000 grant ceiling. Assuming that all these enterprises apply for and exhaust the additional grant of \$50,000, the additional expenditure will be \$235 million. The additional expenditure will increase as more SMEs apply for the additional grants after they have exhausted their current cumulative grant ceiling of \$150,000. The additional expenditure will be met by the relevant approved commitment.

(e) The Hong Kong Export Credit Insurance Corporation (ECIC) has introduced on 1 March 2013 a "Small Business Policy" (SBP) scheme for Hong Kong enterprises with an annual business turnover of less than \$50 million, providing exporters with more flexibility in taking out insurance cover. Within a period of two years from the same date, SBP policyholders will enjoy waiver of the annual policy fee and up to 20 per cent premium discount. The ECIC also upgraded on 1 March this year the ratings of Turkey and the Philippines and raised the insurance limits of these countries and would provide higher credit limits and lower premium rates for exporters to these countries. The two measures of the ECIC have been included in the ECIC’s overall budget, and do not involve additional government resources.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)006**

Question Serial No.

4739

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:

As reflected by a number of small and medium enterprises (SMEs), their burden had not been alleviated since the interest rate offered by banks for loan applications under the SME Financing Guarantee Scheme was roughly the same as that for general business loans. In 2013-14, will the Administration allocate resources to commission a review on the implementation of the Scheme, and enhance its support to SMEs through communication with participating banks? If yes, what are the action plan and estimated expenditure involved? If no, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The Hong Kong Mortgage Corporation Limited (HKMC) launched the special concessionary measures under its existing SME Financing Guarantee Scheme on 31 May 2012. The Government has provided a total loan guarantee commitment of \$100 billion to assist enterprises in obtaining financing in the commercial lending market under the prevailing uncertain external economic environment to meet their operational need. Since the launching of the measures, the HKMC and the Government have been closely monitoring the operation and utilisation of the measures. We have no plan to regulate the loan interest rate charged by banks.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)007**

Question Serial No.

4740

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:

In 2013-2014, will the Administration allocate resources for policy research, communication with the industry and public consultation in relation to the future development of Hong Kong's exhibition industry? If yes, what are the work plan and estimated expenditure? If no, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The Government attaches great importance to our exhibition industry. As such, we have set up a Working Group on Convention and Exhibition Industries and Tourism under the newly established Economic Development Commission, which comprises representatives from the trade with relevant experience and professional knowledge, to advise and make recommendations to the Government on, inter alia, how the Government may support the further development of the convention and exhibition industries. The Bureau will support the work of the Working Group with existing resources.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)008**

Question Serial No.

4742

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

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:

Will the Administration allocate resources in 2013-14 to conduct a comprehensive review on the functions, composition, funding mode and total funding of the Hong Kong Trade Development Council? If yes, what will be the action plan and estimated expenditure? If no, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The Hong Kong Trade Development Council (TDC) 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. TDC has fulfilled its functions and has been assisting a lot of Hong Kong companies especially small and medium enterprises to successfully expand their markets and promote their goods and services. We consider that it is not necessary to conduct a comprehensive review of TDC in the 2013-14 financial year.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)009**

Question Serial No.

4743

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

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 was the market share of the Hong Kong Trade Development Council (TDC) in the exhibition industry in the past three years (i.e. 2010-11, 2011-12 and 2012-13)? In 2013-14, will the Administration allocate resources to study whether the exhibition business of TDC requires adjustment? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The number of local exhibitions organised by the Hong Kong Trade Development Council (TDC), the number of exhibitions held in Hong Kong and the percentages of the local exhibitions organised by TDC among the total number of exhibitions held in Hong Kong are tabulated as follows:

<b>Year</b>	<b>No. of local exhibitions organised by TDC</b>	<b>No. of exhibitions held in Hong Kong (*)</b>	<b>Percentage of local exhibitions organised by TDC among the total no. of exhibitions held in Hong Kong</b>
2010	36	118	31%
2011	35	111	32%
2012	35	Not Applicable	Not Applicable

(\*): From the annual survey of the exhibition industry in Hong Kong announced by the Hong Kong Exhibition and Convention Industry Association (HKECIA), which reveals information on the large scale exhibitions (i.e. "Trade" and "Trade and Consumer" exhibitions with an area of 2 000 square meters or more) held in Hong Kong from January to December each year. As HKECIA has not yet announced the result of annual survey for 2012, we are not able to provide the figures for 2012 at this stage.

TDC 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. Organisation of local exhibitions is one of the very effective ways to promote Hong Kong products to local and overseas buyers. Local small and medium enterprises (SMEs) can meet with buyers from all over the world without having to leave Hong Kong, thus enhancing the effectiveness of their promotional activities. TDC has fulfilled its functions and has been assisting a lot of Hong Kong companies especially SMEs to expand their markets and promote their goods and services. Therefore, we do not see the need to study whether to adjust TDC's exhibition business in the 2013-14 financial year.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)010**

Question Serial No.

4744

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

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:

In the past 5 years, i.e. from 2008-09 to 2012-13, how much annual subsidy was provided to the Hong Kong Trade Development Council (TDC) by the Government, and what were the total annual revenue, expenditure and reserve level of TDC?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The amount of Government subvention to the Hong Kong Trade Development Council (TDC), TDC's total income, total expenditure and reserve level in the past 5 financial years (i.e. from 2008-09 to 2012-13) are listed below:-

	Financial Year (\$ million)				
	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Government Subvention to TDC</b>	360	371	375	378	384
<b>TDC's</b>					
- <b>Total Income</b>	1,979	2,232	2,392	2,434	2,507*
- <b>Total Expenditure #</b>	1,894	2,200	2,289	2,384	2,464*
- <b>Reserve Level</b>	853	1,012	1,097	1,099	1,099

Note: \* are the estimated figures.

#: From 2009-10, TDC's expenditures include financial cost.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)011**

Question Serial No.

4745

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

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:

In the past 3 years, i.e. from 2010-2011 to 2012-2013, what were the respective ratios of trade fairs in relation to trade shows hosted by the Hong Kong Trade Development Council (TDC) and the revenues generated from each type of event? In 2013-2014, will the TDC allocate resources to review the ratio of trade fairs to trade shows? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The number of local exhibitions organised by the Hong Kong Trade Development Council (TDC) in the past three years are tabulated below:-

	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>No. of local exhibitions organised by TDC</b>	36	35	35

The revenue generated from local exhibitions by TDC in the past 3 financial years (i.e. from 2010-11 to 2012-13) are tabulated as follows:-

	<b>Financial Year</b>		
	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13<sup>^</sup></b>
<b>TDC's revenue from local exhibitions</b>	\$1,333 million	\$1,383 million	\$1,448 million

<sup>^</sup> : Figures to be finalised at the end of the financial year.

TDC organises exhibitions in Hong Kong every year. Some of these exhibitions are open for public consumption on the spot such as the Hong Kong Book Fair, Food Expo, Hong Kong International Tea Fair, International Conference and Exhibition of the Modernization of Chinese Medicine and Health Products, as well as the Hong Kong International Wine and Spirits Fair etc.. Except for the Hong Kong Book Fair, the aforementioned exhibitions are primarily trade fairs, the purposes of which are to help exhibitors search for buyers or business partners. The reasons for some trade fairs to allow the public to join part of the fairs are to enable exhibitors to test their products in the market and better understand the preference of the buyers, with a view to facilitating their formulation of business strategies.

TDC reviews, from time to time, whether the content of its exhibitions can meet the need of the industries. It will take into account the market trends and demand from the industry when planning for the promotional activities in the year ahead. TDC has set up a total of 15 advisory committees covering various industries. Fair organising committees were also established for some of its fairs. TDC will consult the industry through these committees when formulating its business plan.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)012**

Question Serial No.

4746

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

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:

Following the implementation of the Competition Ordinance, will the Administration allocate resources for public education on the ordinance in 2013-14? What are the work plan, timetable, breakdown of estimated expenditures and performance indicators? If there is no allocation of resources, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

We will implement the Competition Ordinance (the Ordinance) in phases so that the public and the business sector can familiarise themselves with the new legal requirements during the transitional period and make necessary adjustments. The immediate work is to establish the Competition Commission (the Commission) and the Competition Tribunal (the Tribunal). In this regard, the Legislative Council has passed the Competition Ordinance (Commencement) Notice 2012. Provisions relating to the Commission commenced on 18 January 2013 and those relating to the Tribunal will commence on 1 August 2013. Once established, the Commission will conduct publicity campaigns and public education activities, and prepare the guidelines related to the enforcement of the Ordinance.

In 2013-14, we have earmarked \$82 million under Programme (4) for the establishment and operation of the Commission. It caters for the recruitment and employment of the Commission's staff, the preparation and leasing of the Commission's office accommodation as well as research and promotional work of the Commission. The actual expenditure will depend on the progress of the preparatory work relating to the Commission.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)013**

Question Serial No.

4747

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

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 2013-14, will the Administration allocate resources for conducting policy study, public consultation and legislative drafting work related to the preparation of a law on the pre-payment mode of consumption and imposition of a cooling-off period? If yes, what are the work plan, timetable and expenditure estimates? If not, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The issue of imposing a mandatory cooling-off period was widely discussed in the community during our public consultation on the legislative proposals to combat unfair trade practices during 2010 to 2011, on which we had communicated with different stakeholders. On the one hand, consumers generally have aspirations for a cooling-off period. On the other hand, certain fundamental issues that should be considered in relation to implementing a cooling-off period are not simple and are controversial (e.g. whether a cooling-off period should generally apply to all goods and services, how small-value transactions should be handled, whether consumers can enjoy the goods and services concerned during the cooling-off period, and whether consumers having enjoyed part of the goods and services concerned during the cooling-off period should be required to pay for the enjoyed part if they request to cancel the transaction and how the payment should be computed etc.). Some practical issues also cannot be disregarded, including how consumers should exercise the contract cancellation right and how refund should be made etc. Some trades consider that a cooling-off period will only increase the costs for honest traders but have no substantial effect on unscrupulous traders.



We understand the public's aspirations for putting in place a cooling-off period. However, a cooling-off period will change the mode of transactions and have significant implications on both traders and consumers. It is necessary to consider the matter carefully. Our current priority is accorded to the preparatory work for implementing the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (the Amendment Ordinance). Indeed the Amendment Ordinance criminalises unfair trade practices, and combats these practices from the source through such new offences as "aggressive commercial practices", "wrongly accepting payment", "bait-and-switch" and "misleading omissions", thus strengthening consumer protection.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)014**

Question Serial No.

4748

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

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 Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 will come into force in the current financial year, will the Administration allocate resources for related publicity and education work in 2013-2014? If so, please inform this Committee of the related work programme and estimated expenditures; if not, of the reason.

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The Customs and Excise Department and the Communications Authority as the enforcement agencies of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 ("Amendment Ordinance") consulted the stakeholders and the general public on the draft enforcement guidelines for the Amendment Ordinance from 7 December 2012 to 17 March 2013. The enforcement agencies are examining the views received during the consultation and will revise the enforcement guidelines as appropriate, so as to facilitate traders' deeper understanding of the Amendment Ordinance. Besides, this Bureau is coordinating the education and publicity programmes of the Customs and Excise Department, the Office of the Communications Authority and the Consumer Council, including Announcements of Public Interest, educational pamphlets and briefs etc., with a view to enhancing the understanding of traders and consumers of the Amendment Ordinance. The resources required will be deployed by this Bureau and relevant parties from within existing resources.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)015**

Question Serial No.

4749

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

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 the implementation of the Trade Descriptions (Unfair Trade Practices)(Amendment) Ordinance 2012 which regulates unfair trade practices, will the Consumer Council allocate resources and secure additional manpower in 2013-2014 to cope with the requisite promotional efforts after the implementation of the Ordinance and handle more enquiries and complaints from the public? If yes, what are the work plans, ranks and duties of the additional manpower, work schedule and estimated expenditure? If not, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The Customs and Excise Department and the Communications Authority are the enforcement agencies of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (Amendment Ordinance) to be implemented within 2013. The Consumer Council will work with the enforcement agencies on the arrangements for referring and handling complaints such that suspected breaches of the Amendment Ordinance will be handled promptly by the enforcement agencies. For cases not involving breaches of the law, the Consumer Council will handle them in accordance with the current practice, providing advice to the complainants and assist in conciliating between them and traders concerned. The Consumer Council will also implement consumer education programmes in respect of the Amendment Ordinance. Mainly due to the enhanced role of the Consumer Council after the implementation of the Amendment Ordinance, the provision for

the Consumer Council for 2013-14 is \$5.5 million higher than the revised estimate for 2012-13, which will chiefly be deployed for employing 5 additional staff for handling the expected increase of complaints.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)016**

Question Serial No.

4750

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

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:

Many people in the community consider that the Consumer Council has no real power to facilitate consumer redress. Will the Consumer Council allocate resources in 2013-2014 for a comprehensive review on its functions, powers and responsibilities and roles? If yes, what are the details? If not, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

Under the Consumer Council Ordinance, the Consumer Council (CC)'s functions include collecting, receiving and disseminating information concerning goods and services; handling consumer complaints about goods and services and giving advice to them; taking such action as it thinks justified by information in its possession, including tendering advice to the Government; and encouraging businesses and professional associations to establish codes of practice to regulate the activities of their members.

The CC is committed to discharging the above functions and safeguarding consumer interests. The work involved includes conducting different product tests, studies and surveys to ensure product quality and safety; forestalling and mediating disputes between consumers and traders; collaborating with law enforcement agencies in combating unfair trade practices; implementing consumer publicity and education programmes to promote sustainable consumption and empower consumers to protect themselves; providing advice to the Government in respect of combating unfair trade practices and promoting fair competition etc.; and encouraging different business associations to establish relevant codes. The Consumer Legal Action Fund provides consumers with access to legal remedies by providing financial support and legal assistance, particularly for cases involving significant public interest and injustice.

The CC's efforts and efficacy in safeguarding consumer interests and establishing a fair, safe and sustainable consumption environment have been widely recognized. The CC will continue to seek improvements in discharging its duties.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)017**

Question Serial No.

4752

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:

In 2013-2014, will the Administration allocate resources for a comprehensive study on issues such as the hospitality capacity of Hong Kong, the demand and planning for infrastructure of tourism, and the supply and training of travel practitioners? If yes, what are the specific work plan, schedule and estimated expenditure of the study? If not, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The Government is assessing the overall capacity of Hong Kong to receive tourists. The areas taken into account include the handling capacity of boundary control points, receiving capacity of tourist attractions and the public transport system, supply of hotel rooms, economic effects of the Individual Visit Scheme, and its impact on the livelihood of the community, etc. Upon completion of the assessment, the Hong Kong Special Administrative Region Government will commence liaison with the relevant Mainland authorities to exchange views in this aspect. Regarding the tourism aspect, the expenditure on such work has been subsumed into the provision for 2013-14 for the Commerce, Industry and Tourism Branch. It is difficult to quantify such expenditure separately.

Regarding the supply and training of travel practitioners, higher education institutions funded by the University Grants Committee (UGC) enjoy autonomy in the allocation of overall student numbers to individual disciplines. UGC-funded institutions are free to plan the number of intakes for a vast majority of programmes, including those related to hotel and tourism management, in accordance with their development strategies and market needs. At present, two UGC-funded institutions, namely the Hong Kong Polytechnic University and the Chinese University of Hong Kong, offer publicly-funded undergraduate programmes in hotel and tourism management. The total undergraduate intake places offered by these two UGC-funded institutions will increase from 217 in the 2011-12 academic year to 269 by the 2014-15 academic year. Apart from UGC-funded institutions, the Vocational Training Council, the Caritas Institute of Higher Education and many other self-financing post-secondary institutions are also offering local and non-local programmes at different academic levels in related disciplines to support the development of our hotel and tourism sector.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013



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

**CEDB(CIT)018**

Question Serial No.

4753

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 policy of allowing Mainland residents to visit Hong Kong under the Individual Visit Scheme has been implemented for 10 years. In 2013-14, will the Administration allocate resources for a full review of this policy (including conducting policy study, enhancing communication with stakeholders and consulting the public and relevant councils)? If yes, what are the specific plan, timetable and expenditure estimates? If not, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The Government is assessing the overall capacity of Hong Kong to receive tourists. The areas taken into account include the handling capacity of boundary control points, receiving capacity of tourist attractions and the public transport system, supply of hotel rooms, economic effects of the Individual Visit Scheme, and its impact on the livelihood of the community, etc. Upon completion of the assessment, the Hong Kong Special Administrative Region Government will commence liaison with the relevant Mainland authorities to exchange views in this aspect. Regarding the tourism aspect, the expenditure on such work has been subsumed into the provision for 2013-14 for the Commerce, Industry and Tourism Branch. It is difficult to quantify such expenditure separately.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)019**

Question Serial No.

4754

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:

In 2013-14, will the Administration allocate resources for reviewing the operation of the Mega Events Fund (MEF) (including participation of the general public and overseas visitors in MEF-funded events, criteria for determining the funding amount of each event, and monitoring of the operation of events)? If yes, what are the work plan and expenditure estimates? If not, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The Tourism Commission (TC) has been monitoring the operation of the Mega Events Fund (MEF) from time to time, having regard to the experience accumulated since its inception in 2009, with a view to improving its mode of operation. Some improvement measures were introduced in 2010. In early 2012, the TC conducted a full review on the operation of the MEF, and the recommendations were implemented following the Finance Committee of the Legislative Council's approval of funding in April 2012 to extend the operation of the MEF, which increased the Fund's flexibility and improved the effectiveness of its operations. We plan to conduct a further review of the operation of the MEF with existing manpower and resources in due course. No additional expenditure will be incurred.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)020**

Question Serial No.

4755

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:

What were the details of the events funded by Mega Events Fund in 2012-2013, such as the names of the events, contents, dates, number of participants, number of participating overseas visitors, total revenue of the events, total expenditure of the events and the amount of funding from the Fund? In 2013-2014, what will be the details of the events to be funded by the Fund, such as the names of the events, nature, estimated number of participants, estimated number of participating overseas visitors, amount of funding from the government and estimated total expenditure of the events?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The details of the Mega Events Fund (MEF) supported events in 2012-13 are as follows:

Project title	Organiser	Nature	Date of Event	Number of participants (Number of participating visitors)	Project Budget	Funding Ceiling
Hong Kong Dragon Boat Carnival 2012	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	2-8 July 2012	206 080 (64 030)	\$25 million	\$6.5 million

Project title	Organiser	Nature	Date of Event	Number of participants (Number of participating visitors)	Project Budget	Funding Ceiling
UBS Hong Kong Open Championship 2012	Hong Kong Golf Association Limited	International golf tournament	15 - 18 November 2012	40 000 (10 493)	\$50.07 million	\$15 million
Dragon and Lion Dance Extravaganza 2013	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2013	65 100 (15 030)	\$4 million	\$1.4 million
Hong Kong Well-wishing Festival 2013	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	10-23 February 2013	133 410 (12 210)	\$5.11 million	\$2.5 million

The basic funding principle of the MEF is that the total Government contribution (including the MEF funding) must not exceed 50% of the total cost of the event. The actual income and expenditure of the events cannot be confirmed until after the MEF Assessment Committee has completed assessment of the audited accounts and evaluation reports as submitted by the events' organisers.

The details of the MEF supported event in 2013-14 are as follows:

Project title	Organiser	Nature	Date of Event	Estimated number of participants (Estimated number of participating visitors)	Project Budget	Funding Ceiling
Manchester United Asia Tour 2013 (Hong Kong Leg)	Kitchee Foundation Limited	Soccer exhibition match	29 July 2013	40 354 (8 140)	\$33.46 million	\$8 million

We shall continue to support large-scale arts, cultural, sports and entertainment events in Hong Kong organised by local non-profit-making organisations. We are processing the second round applications. The number of events receiving the MEF's funding support, as well as their respective nature and funding amount, etc. will depend on the number of applications received and how many of them can successfully pass the assessment.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)021**

Question Serial No.

4756

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

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 were the Hong Kong Tourism Board's (HKTB's) expenditures on tourism publicity in different areas for the past three financial years (i.e. 2010-11, 2011-12 and 2012-13)? Please provide a breakdown of HKTB's distribution of resources for publicity and promotion by area for 2013-14. As the increase in visitors from areas other than the Mainland is not significant, will HKTB consider raising the expenditure on tourism publicity in these areas in 2013-14? If so, what are the details? If not, what is the reason?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

To maintain a diverse visitor portfolio and uphold Hong Kong's image as the Asia's World City and a premier travel destination, the Hong Kong Tourism Board (HKTB) will continue to invest in 20 visitor source markets in 2013-14, including 15 key markets and five new markets. These 20 markets altogether contribute about 95% of overnight visitor arrivals to Hong Kong.

In 2013-14, the HKTB will allocate 71% of its marketing budget for source markets (about \$125 million) to the international markets. The remaining amount, or about 30% of the total budget (about \$51.4 million), will be invested in the Mainland market, 84% of which will be allocated to non-Southern China, with a view to attracting more longer-stay Mainland visitors.

The breakdown of the HKTB's marketing expenditure in various visitor source markets from 2010-11 to 2013-14 is as below:

	<b>2010-11 Actual Expenditure (HK\$ million)</b>	<b>2011-12 Actual Expenditure (HK\$ million)</b>	<b>2012-13 Revised Estimate (HK\$ million)</b>	<b>2013-14 Proposed Budget (HK\$ million)</b>
<b><i>Mainland China</i></b>	<b>58.9</b>	<b>53.2</b>	<b>53.7</b>	<b>51.4</b>
<b><i>Short-haul Markets</i></b>	<b>54.3</b>	<b>47.6</b>	<b>51.1</b>	<b>51.4</b>
Japan	13.1	14.2	13.4	12.3
Taiwan	19.4	11.6	13.2	11.9
South Korea	9.7	9.8	10.9	12.3
Singapore	3.5	2.8	3.5	3.5
The Philippines	3.6	3.0	3.3	3.6
Malaysia	2.7	2.9	2.6	2.5
Indonesia	0.6	1.0	2.3	3.0
Thailand	1.7	2.3	2.0	2.3
<b><i>Long-haul Markets</i></b>	<b>42.3</b>	<b>50.2</b>	<b>43.6</b>	<b>43.9</b>
The USA	15.0	17.1	16.0	15.9
Australia	10.1	9.6	10.5	10.4
The UK	6.7	12.6	6.8	7.1
Canada	4.4	4.4	4.0	4.0
Germany	3.2	3.5	3.4	3.5
France	2.9	3.0	2.9	3.0
<b><i>New Markets</i></b>	<b>17.7</b>	<b>17.7</b>	<b>31.2</b>	<b>29.8</b>
India	9.0	9.3	13.4	13.4
Russia	6.7	4.0	8.0	7.7
The Middle East	2.0	2.6	4.3	5.0
Vietnam	-/-	0.6	2.9	1.3
The Netherlands	-/-	1.3	2.6	2.4
<b><i>Non-key Markets</i></b>	<b>3.7</b>	<b>6.7</b>	<b>0.1</b>	<b>0</b>
<b>Total Marketing Budget for Source Markets</b>	<b>176.9</b>	<b>175.4</b>	<b>179.8</b>	<b>176.6</b>

Remarks: Due to rounding, the total may differ from the sum of individual figures.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)022**

Question Serial No.

4900

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:

Regarding the Economic Development Commission, the establishment of which was announced by the Chief Executive in his Policy Address, what are the details of its work? What is its estimated expenditure?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

Secretariat support for the Economic Development Commission (EDC) and two of its Working Groups (namely the Working Group on Convention and Exhibition Industries and Tourism and the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries) is provided by the Commerce and Economic Development Bureau. The relevant work will be handled by existing manpower and an additional Senior Administrative Officer (involving an additional expenditure of about \$1.13 million). The expenses of the EDC's operation in the first year will depend on the discussions of the EDC on the necessary work or plans (e.g. researches) that it needs to conduct. The expenditure involved will be absorbed by this Bureau's existing resources and cannot be assessed at this stage. Secretariat support for the EDC's other two Working Groups (namely the Working Group on Transportation and the Working Group on Professional Services) is provided by the Transport and Housing Bureau and the Development Bureau respectively.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)023**

Question Serial No.

5344

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

Programme:

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Following the announcement by the Chief Executive in his Policy Address in January 2013 that a total of 14 organisations (including council, authority, committees, commission and working groups) will be or proposed to be set up, the Financial Secretary has indicated in his Budget Speech that relevant financial resources will be provided. For 2013-2014, what are the work plans and estimated expenditure of the Economic Development Commission, the Consultative Committee on Economic and Trade Co-operation between Hong Kong and the Mainland, the CEPA joint working group and the working group for promoting Hong Kong as a hub for intellectual property trading? Please provide a breakdown by individual organisation.

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

***Economic Development Commission***

Secretariat support for the Economic Development Commission (EDC) is provided by the Commerce and Economic Development Bureau. The relevant work will be handled by existing manpower and an additional Senior Administrative Officer (involving an additional expenditure of about \$1.13 million). The expenses of the EDC's operation in the first year will depend on the discussions of the EDC on the necessary work or plans (e.g. researches) that it needs to conduct. The expenditure involved will be absorbed by the Bureau's existing resources and cannot be assessed at this stage.

***Consultative Committee on Economic and Trade Co-operation between Hong Kong and the Mainland***

Secretariat support for the proposed Consultative Committee on Economic and Trade Co-operation between Hong Kong and the Mainland is provided by the Constitutional and Mainland Affairs Bureau. The committee has not yet been established and hence the relevant information is not yet available.

***Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) joint working group***

The joint working group will provide targeted assistance to sectors which have encountered relatively more entry barriers, according to the feedback from the sectors concerned, and help them to resolve CEPA implementation problems in individual provinces and municipalities. Trade and Industry Department (TID) is coordinating with relevant policy bureaux and departments as well as the offices of the HKSAR Government in the Mainland to collate feedback from the trade on their problems in using the CEPA liberalisation measures, for the purpose of setting priority and relevant work agenda. TID and the Mainland counterpart will draw up a detailed work plan, with a view to convening the first working group meeting in the second quarter of the year. The manpower and financial resources involved in the work will be absorbed by relevant bureaux or departments. We do not have the information on the actual amount.

***Working Group for promoting Hong Kong as a hub for Intellectual Property Trading***

The Working Group on Intellectual Property (IP) Trading will study the overall strategies to promote the development of Hong Kong as an IP trading hub, and identify possible policy and other support measures to facilitate IP trading in Hong Kong.

The Commerce and Economic Development Bureau uses existing manpower and resources to handle the work related to the Working Group on IP Trading at this stage. The expenditure has been subsumed into the provision for the Bureau. It is difficult to quantify such expenditure separately.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)024**

Question Serial No.

0354

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:

It is pointed out in the Budget that the Customs and Excise Department has liaised with other customs authorities to seek mutual recognition of the Hong Kong Authorised Economic Operator Programme or similar programmes, so that locally-accredited companies can enjoy corresponding preferential treatment outside Hong Kong, and that the Department will allocate additional resources to boost companies' participation in the Programme and promote mutual recognition. Which customs authorities have been approached for discussions on the Programme? How many companies have participated in the Programme? What is the amount of additional resources to be allocated to promote the Programme?

Asked by: Hon. CHAN Kam-lam

Reply:

In 2012-13, the Customs and Excise Department (C&ED) made use of existing manpower and resources to launch the "Hong Kong Authorised Economic Operator Programme". The expenditure involved has been subsumed into the 2012-13 provision. It is difficult to quantify such expenditure separately. From 2013-14, C&ED will earmark an additional amount of \$3.8 million per annum to create 4 Senior Inspector posts for 3 years to further promote the Programme.

So far, 9 companies have been accredited, including multinational corporations as well as local enterprises of different sizes engaged in import/export, manufacturing and freight forwarding businesses. Enterprises can gain greater international recognition through the Programme. This enables credible and competent companies to enjoy benefits local and abroad such as prioritised clearance and less inspections.

C&ED will make use of the additional resources to expedite the vetting of over 10 applications received, step up publicity of the Programme to the industries, and negotiate for mutual recognition arrangements with other countries and regions with a view to securing more clearance facilitation for local enterprises. We have approached a number of our major trading partners for discussion and have already started bilateral meetings with the Mainland, Korean and Indian Customs.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)025**

Question Serial No.

0356

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:

What were the monthly average occupancy rates of hotel rooms in Hong Kong over the past three years (i.e. 2010 to 2012)? What was the proportion of overnight visitor arrivals among total visitor arrivals over the past three years?

Asked by: Hon. CHAN Kam-lam

Reply:

The monthly average occupancy rates of all hotels in Hong Kong over the past three years are as follows –

<b>Year \ %</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
2010	87	79	88	86	84	82	88	88	82	89	93	93
2011	87	85	91	88	88	87	93	92	84	89	94	93
2012	85	88	89	89	86	89	93	94	83	88	94	92

The proportions of overnight visitors among total visitor arrivals in 2010, 2011 and 2012 were 55.7%, 53.2% and 48.9% respectively.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)026**

Question Serial No.

0526

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

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:

In the past five years (i.e. 2008-2009 to 2012-2013), how many trade shows were held at the Design Gallery in Beijing and Guangzhou respectively by the Hong Kong Trade Development Council? How many Hong Kong enterprises have participated in these trade shows?

Asked by: Hon. CHAN Kam-lam

Reply:

The Hong Kong Trade Development Council (TDC) opened Design Gallery shops at the Oriental Plaza in Beijing and the Tee Mall in Guangzhou in June 2009 and July 2012 respectively, in order to establish long-term selling outlets for Hong Kong companies to test their products in the Mainland market, as well as build up greater awareness of Hong Kong brands. Since their establishment, the Design Gallery shops have attracted the participation of over 120 Hong Kong brands, with products ranging from fashion accessories, jewellery, watches, gifts, houseware and electronic commodities etc. Many Hong Kong brands have found business partner(s) in the Mainland through the Design Gallery shops and eventually set up their own outlets in different Mainland cities.

In order to better promote the brand name of Design Gallery, the TDC has organised a total of 29 short-term promotional activities in various major Mainland cities, including Beijing and Guangzhou, in the past five years. Booths were also set up during the activities to promote Hong Kong's fashion brands and design products in the Design Gallery.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)027**

Question Serial No.

0527

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:

How many applications for the BUD Fund have been approved so far? How much funding is involved? Will supplementary provision be sought in 2013-14?

Asked by: Hon. CHAN Kam-lam

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012. Up to the end of February 2013, 54<sup>1</sup> and 17 applications have been approved under the Enterprise Support Programme and Organisation Support Programme of the BUD Fund respectively. The total amount of funding approved is about \$81.9 million.

We have no plan to seek supplementary provision for the BUD Fund in 2013-14.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

<sup>1</sup> Excluding 47 applications that were granted conditional approval. The final approval of such applications and the amount of grants will be subject to further information submitted by the applicants.

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

**CEDB(CIT)028**

Question Serial No.

0530

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:

It is stated in the Budget Speech that the Administration will “set up a task force on labour development in the retail industry. Led by the Commerce and Economic Development Bureau, the task force will pool the efforts of the Government, the industry and relevant organisations. It will study the economic outlook of the industry and its labour demand and supply”. What is the amount of funding reserved to meet the expenditures of the task force?

Asked by: Hon. CHAN Kam-lam

Reply:

The Task Force on Manpower Development of the Retail Industry will complete its work within 2013 and put forward appropriate and concrete recommendations. The Government will support the work of the Task Force through re-deployment of existing resources. The related expenditure will be subsumed under the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)029**

Question Serial No.

3127

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

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:

Will the Hong Kong Trade Development Council set up new overseas office in 2013-14? If yes, how many offices will be set up and in what locations?

Asked by: Hon. CHAN Kam-lam

Reply:

The Hong Kong Trade Development Council (TDC) has a total of 41 offices outside Hong Kong, including 11 offices in the Mainland China. In recent years, the swift economic development of the Jiangsu Province and the western part of our country has brought numerous business opportunities for Hong Kong companies. In view of this, TDC plans to open new offices in Nanjing (the provincial administrative centre of Jiangsu Province) and Chongqing in 2013-14, with a view to assisting small and medium-sized enterprises in Hong Kong to grasp the business opportunities.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)030**

Question Serial No.

1684

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:

Under this programme, the Government states that the provision for 2013-14 being \$21.9 million higher than the revised estimate for 2012-13 is mainly due the provision of secretariat services and relevant support to the new Economic Development Commission. In respect of this, please advise this Committee:

- (a) How much estimated provision is involved for the Economic Development Commission?
- (b) What is the staff establishment in relation to the Economic Development Commission?

Asked by: Hon. CHAN Wai-yip, Albert

Reply:

Secretariat support for the Economic Development Commission (EDC) and two of its Working Groups (namely the Working Group on Convention and Exhibition Industries and Tourism and the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries) is provided by the Commerce and Economic Development Bureau. The relevant work will be handled by existing manpower and an additional Senior Administrative Officer (involving an additional expenditure of about \$1.13 million). The expenses of the EDC's operation in the first year will depend on the discussions of the EDC on the necessary work or plans (e.g. researches) that it needs to conduct. The expenditure involved will be absorbed by this Bureau's existing resources and cannot be assessed at this stage. Secretariat support for the EDC's other two

Working Groups (namely the Working Group on Transportation and the Working Group on Professional Services) is provided by the Transport and Housing Bureau and the Development Bureau respectively.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)031**

Question Serial No.

5260

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:

Please inform this Committee of the financial position of the Mega Events Fund (MEF). Has any MEF-supported event ploughed back its surplus into the Fund?

Asked by: Hon. CHEUNG Chiu-hung, Fernando

Reply:

The Mega Events Fund (MEF) was established in 2009 following the funding approval of the Finance Committee (FC) of the Legislative Council (LegCo). Since its inception, eight rounds of applications have been invited and a total maximum sum of \$84.7 million has been granted to support 21 mega events. As at end of February 2013, a total of 20 MEF supported events have been completed. Among these events, 2 had generated a surplus and a total sum of around \$1.3 million was returned accordingly.

We sought approval from FC of LegCo last year to allocate \$150 million for extending the operation of the MEF for 5 years, and to modify the Fund into a two-tier system, which enabled the Fund to support international acclaimed mega events to come to Hong Kong on the one hand, and improved the original mechanism for applications by local non-profit-making organisations on the other. On the tier-one scheme, we have commissioned an independent consultant to recommend international mega events that are suitable to be held in Hong Kong. The study is making good progress. As regards tier-two, we have completed assessment of the first round of applications and are processing the second round applications. We shall continue to support large-scale arts, cultural, sports and entertainment events in Hong Kong organised by local non-profit-making organisations. The number of events receiving the MEF's funding support, as well as their

respective nature and funding amount, etc. will depend on the number of applications received and how many of them can successfully pass the assessment. By the end of February 2013, the MEF has an uncommitted balance of some \$116 million.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)032**

Question Serial No.

3016

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 travel industry employs approximately 230 000 people and the number of visitors to Hong Kong reached 48 million in 2012, making a very significant income for Hong Kong's economy. Please provide information on the following:

- (a) The Travel Industry Council of Hong Kong has set up the Tourist Guide Accreditation System and Outbound Tour Escort Accreditation System to enhance service quality but the trade's quality continues to come under criticism. Has the Government conducted a comprehensive research on why tourist guides and outbound tour escorts fail to provide quality service? If yes, what are the details? If not, what are the reasons?
- (b) The workforce engaged in the travel industry reaches 230 000. Please provide a breakdown of the figures by job categories.
- (c) What are the respective numbers of outbound tour escorts and licensed tourist guides in the past 3 years (i.e. 2010-11 to 2012-13)?
- (d) What are the respective numbers and percentages of self-employed outbound tour escorts and licensed tourist guides?
- (e) Some tour escorts and tourist guides point out that they have become self-employed reluctantly and are deprived of the basic employee protection. Is the Government aware of the condition in the industry? If yes, what are the details of such compulsory self-employment and how will the Government regulate the travel agents to protect the employees? If not, what are the reasons? Are there any new measures to safeguard their welfare?

- (f) Has the Government considered setting up a comprehensive employee protection scheme for the travel industry to promote honest and quality tourism? If yes, what are the details? If not, what are the reasons?

Asked by: Hon. CHEUNG Kwok-che

Reply:

- (a) The Government all along attaches great importance to the service quality of the tourism sector in Hong Kong. The Government conducted a public consultation exercise on the review of the operation and regulatory framework of the tourism sector in Hong Kong in mid-2011. The scope included the regulation of tourist guides. After completion of the review, the Government announced in end-2011 to establish the Travel Industry Authority (TIA) to take over the current regulatory and licensing functions of the Travel Industry Council of Hong Kong (TIC) and the Travel Agents Registry. Targets of regulation include travel agents, tour escorts and tourist guides. After the establishment of the TIA, tourist guides and tour escorts must apply for licences issued by the TIA. This will help to enhance the service quality and standard of trade practitioners in the long run.
- (b) According to the latest figures released by the Census and Statistics Department, the number of people employed by tourism and related industries in 2011 is as follows –

	<b><u>Employment in 2011</u></b>
Tourism	233 500
● Inbound Tourism	203 900
- Retail trade	88 900
- Accomodation services	39 000
- Food and beverage services	42 800
- Cross-boundary passenger transport services	13 400
- Others	19 700
● Outbound Tourism	29 700
- Travel agency, reservation service and related activities	19 400
- Cross-boundary passenger transport services	10 300

- (c) The respective numbers of holders of valid Tour Escort Pass and Tourist Guide Pass issued by the TIC in the past 3 years (as at 31 December of the respective year) are as follows —

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>
Number of valid Tour Escort Pass holders	17 624	18 611	19 370
Number of valid Tourist Guide Pass holders	6 226	6 278	6 748

- (d) Since applicants for Tour Escort Pass and Tourist Guide Pass do not need to declare with the TIC their mode of employment, we do not have information on the number and percentage of self-employed tour escorts and tourist guides.

- (e)&(f) The operation of the tourism industry is subject to seasonal fluctuation. Travel agents need to engage more part-time or self-employed tourist guides in peak seasons to provide service, while many tourist guides work for several travel agents to increase job opportunities. It is uncommon for tourist guide to work for and be employed full time by one travel agent.

The Government is always concerned about the remuneration of frontline staff in the tourism industry. One of the 10 measures which the TIC implemented since February 2011 is to require local receiving agents of Mainland inbound tours to remunerate the tourists guides and sign agreements with them that stipulate the agreed remuneration. This requirement applies to both travel agents' employees or self-employed tourists guides engaged to provide service. This measure helps to ensure that the tourist guides could receive an expectable income and reduce their dependence on commission. To further strengthen protection for tourist guides, the TIC implemented another measure which prohibits receiving agents from asking tourist guides to share or advance unreasonable payment for the receiving cost.

After the establishment of the TIA, it will require all tourist guides and tour escorts employed by travel agents to be holders of valid licences. Detailed rules and regulations, as well as support for the trade under the new regulatory framework, will have to be worked out after the establishment of the TIA, taking into account market needs at the time and the views of various stakeholders including travellers, tourism practitioners and trade operators.

Name in block letters: ANDREW HY WONG  
 Post Title: Permanent Secretary for Commerce and Economic  
 Development (Commerce, Industry and Tourism)  
 Date: 26.3.2013



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

**CEDB(CIT)033**

Question Serial No.

1853

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 estimated expenditure on travel and tourism in 2013-14 significantly increased by 53.1% over the previous year. The Bureau related the increase to the operation of the terminal building and ancillary facilities for the Cruise Terminal. Please provide a breakdown of the specific expenditure and the manpower involved.

Asked by: Hon. CHEUNG Wah-fung, Christopher

Reply:

The increase in the estimated provision under this programme in 2013-14 is mainly due to increased provision arising from the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal following its commissioning in June 2013, which amounts to \$79.234 million. It covers the maintenance of electrical and mechanical facilities of the terminal (\$61.559 million), property management services for communal areas (\$4.111 million), and public utility charges such as electricity charges for communal areas and facilities (\$13.564 million).

The Electrical and Mechanical Services Trading Fund is mainly responsible for the maintenance of electrical and mechanical facilities. Different categories of maintenance staff (including professional engineers, inspectors, technical staff, etc.) will work on shifts round-the-clock on site. The manpower required will depend on operational need. We do not have relevant information on the manpower involved for other services to be provided by outsourced service providers.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)034**

Question Serial No.

3486

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 provide details in relation to the task of continuing to support the further development of wine-related businesses in Hong Kong, including specific measures, manpower deployment and the expenditure required. What were the annual volumes of wine being imported and exported, their respective value and the changes in such figures for the past 3 years, i.e. 2010-11, 2011-12 and 2012-13? How many people were engaged in wine-related business and what were the changes in such figures during the same period? What wine-related training courses were offered in Hong Kong and how many places were available during the same period? What are the projected figures for 2013-14? How would the Administration assess the impact of the prevailing global economic environment on Hong Kong's position as a wine distribution centre?

Asked by: Hon. CHEUNG Yu-yan, Tommy

Reply:

Details of our efforts in 2013-14 to support the further development of wine-related business are given below –

- (a) trade and investment promotion: the Commerce and Economic Development Bureau co-ordinates the promotion work of relevant agencies, namely the Hong Kong Trade Development Council, the Hong Kong Tourism Board, and Invest Hong Kong, including wine promotion events such as the Wine and Dine Festival and the International Wine and Spirits Fair;
- (b) clearance facilitation: the Mainland customs facilitation scheme for wines imported from Hong Kong has been extended from Shenzhen to Guangzhou since November 2012. We will enhance its promotion and seek refinements in consultation with the Mainland Customs;

- (c) manpower training and education: the Government will carry out a manpower survey for the wine industry in 2013-14 for the first time. It aims to better examine the manpower situation, take stock of the nature and places of wine-related training courses being offered and assess the training needs in future, for reference by industry players and training providers;
- (d) wine storage: the Hong Kong Quality Assurance Agency (HKQAA) has reviewed its scheme for accrediting storage facilities in 2012, and set the direction for developing wine accreditation services. We will co-operate with the HKQAA;
- (e) combating counterfeit wine: the Customs and Excise Department (C&ED) will continue to ally with the industry for strengthening co-operation in intelligence collection and market monitoring. C&ED will also continue to liaise with overseas and Mainland enforcement agencies for enhancing its capacity in intercepting any suspected counterfeit wine and verifying wine authenticity; and
- (f) international co-operation: we signed an agreement with Germany in May 2012, making a total of 13 agreements on wine co-operation. We will continue to look for other partners to strengthen promotional activities in areas including wine-related trade, investment, tourism, etc.

We cope with the workload arising from the implementation of the above measures through re-deployment of existing resources. The related expenditure are subsumed under the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately. Regarding the two key wine-related promotion events mentioned in (a) above, the costs are met through government subvention, charging of fees and commercial sponsorship.

According to the Census & Statistics Department, the wine import figures from 2010-11 to 2012-13 are as follows:

#### Imports

Year	Total Value (\$ billion)	Year-on-year Change	Total Volume (ten million litre)	Year-on-year Change
2012-13 (up to Jan 2013)	67	-16.4%	4.4	+4.7 %
2011-12	94	+16.6%	4.8	+16.4%
2010-11	80	+74%	4.1	+15.9%

Exports (Re-exports)

Year	Total Value (\$ billion)	Year-on-year Change	Total Volume (ten million litre)	Year-on-year Change
2012-13 (up to Jan 2013)	14	-16.5%	1.6	-1.9 %
2011-12	20	+39%	1.9	+45.3%
2010-11	15	+78.6%	1.3	+40.6%

We keep a close watch on the industry's outlook of the wine markets, in particular that of the Mainland China given Hong Kong's role as the regional wine hub. The industry remains generally upbeat about the Mainland's market. For example, according to a market survey by Vinexpo (an internationally renowned wine fair organiser), the findings of which is released earlier this month, China is now the world's fifth largest wine-consuming country. Its consumption of wine is expected to grow by 39.6% between 2012 and 2016. This represents the fastest growth rate among all countries.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)035**

Question Serial No.

1393

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:

It is stated in Paragraph 86 of the Budget Speech that "To facilitate its healthy growth in the long term, I shall set up a task force on labour development in the retail industry. Led by the Commerce and Economic Development Bureau, the task force will pool the efforts of the Government, the industry and relevant organisations. It will study the economic outlook of the industry and its labour demand and supply. The task force will complete its work within this year and put forward appropriate and concrete recommendations." Please advise this Committee of the following information:

- (a) Please provide the figures on expenditure and manpower deployment involved in setting up the task force on labour development in the retail industry.
- (b) Please provide information on the structure, authority, duties and objectives of the task force on labour development in the retail industry.

Asked by: Hon. CHIANG Lai-wan

Reply:

The Task Force on Manpower Development of the Retail Industry is appointed by the Financial Secretary. Members are drawn from a wide range of background and interests, including persons connected with different sectors within the industry, representatives of relevant Government Bureaux and Vocational Training Council, as well as academics and individuals from outside the industry, with Professor Andrew Chan Chi-fai of the Chinese University of Hong Kong as the Chairperson. The terms of reference of the Task Force are to review the manpower needs of the retail sector, and to advise the Government on matters relating to the overall manpower development of the industry in order to sustain its long term growth. The Task Force will complete its work within 2013 and put forward appropriate and concrete recommendations to the Government.

The Government will support the work of the Task Force through re-deployment of existing resources. The related expenditure will be subsumed under the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)036**

Question Serial No.

2374

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

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 Hong Kong Tourism Board will continue to adopt ten major promotional campaigns throughout the year. Please provide the details and projected expenditure for the respective campaigns.

Asked by: Hon. CHIANG Lai-wan

Reply:

In 2013-14, the Hong Kong Tourism Board (HKTB) will continue to promote Hong Kong's mega events and activities through its 10 promotion campaigns, with a view to strengthening Hong Kong's position as the Events Capital of Asia.

The details and estimated cost for organising each promotion campaign are listed below:

<b>Promotion Campaign (Tentative Period)</b>	<b>Details</b>	<b>Estimated Cost for Organising the Event (\$ million)</b>
Hong Kong Cultural Celebrations (May)	Bundling and promoting four traditional Chinese festivals, namely the birthday of Tin Hau, Cheung Chau Bun Festival, the birthday of Buddha and the birthday of Tam Kung to visitors and local residents, so that they can experience the festivities and traditions of Hong Kong; encouraging the travel trade to develop related tourism products.	0.9

<b>Promotion Campaign (Tentative Period)</b>	<b>Details</b>	<b>Estimated Cost for Organising the Event (\$ million)</b>
Hong Kong Summer Spectacular (June to August) (including the Hong Kong Dragon Boat Carnival)	Promoting to visitors the summer sale, activities by attractions and shopping malls, and spotlight events during summer, including the Hong Kong Book Fair and concerts, as well as the Hong Kong Dragon Boat Carnival organised by the HKTB along Tsim Sha Tsui East Promenade, which features dragon boat racing, a beer garden and music performances.	17.4
Hong Kong Mid-Autumn Festival (September)	Organising Lantern Wonderland in Victoria Park, which features a large-scale lantern for enjoyment by spectators and at the same time promote other key Mid-Autumn activities to visitors and encourage them to experience Hong Kong's festive culture.	5.4
Hong Kong Halloween Treats (October)	Leveraging the various Halloween activities in town to promote the fun-filled celebrations by attractions, dining districts and shopping malls to visitors, encouraging them to experience Hong Kong's unique local culture.	-
Hong Kong Wine and Dine Month (November) (including the Hong Kong Wine and Dine Festival)	Organising a month-long Hong Kong Wine and Dine Month, and promoting the Hong Kong Wine and Dine Festival, which will be held at a new venue – New Central Harbourfront, as well as the culinary and wine activities and offers by major dining districts.	37



<b>Promotion Campaign (Tentative Period)</b>	<b>Details</b>	<b>Estimated Cost for Organising the Event (\$ million)</b>
Great Outdoors Hong Kong (November to February)	The period between November and February is ideal for hiking in Hong Kong. The HKTB will launch the Great Outdoors Hong Kong, focusing on promoting the Hong Kong Global Geopark of China, popular hiking trails and other green attractions. Initiatives include guided tours that take visitors through hiking trails in different districts. The campaign will be extended from five weeks last year to three months this year. The HKTB is also exploring the possibility of introducing cycling tours and other theme activities.	1.4
Hong Kong WinterFest (December) (including Hong Kong New Year Countdown Celebrations)	Promoting the festive ambience in Hong Kong during Christmas holiday that is built up by Christmas lights, Christmas decorations and the myriad of festive activities, including the Hong Kong New Year Countdown Celebrations organised by the HKTB, which can be enjoyed by visitors and local residents on both sides of Victoria Harbour. Depending on sponsorship amount and resources available, the HKTB plans to set up a Christmas town with large-scale decorations besides the ones in Central and Tsim Sha Tsui. It will also launch a regional public relations campaign to showcase the romantic atmosphere in Hong Kong during winter.	23.1
Hong Kong Chinese New Year Celebrations (January)	Continuing to stage the International Chinese New Year Night Parade, so that visitors and local residents can celebrate the festival together. Promote other festive activities to visitors, including flower markets and the Chinese New Year fireworks display.	17.3

Promotion Campaign (Tentative Period)	Details	Estimated Cost for Organising the Event (\$ million)
Sports Events (February to April)	Through various channels, the HKTB promotes the sports, arts and entertainment events in Hong Kong during the year.	1.2
Arts and Entertainment programmes (February to May)		
Third-party Events - Promote the events and activities launched by other organisations		
Total		103.7

The HKTB estimates that the cost for organising the above campaigns will amount to \$103.7 million. The HKTB has earmarked \$22.2 million for organising the events and will seek funding support for the remaining \$81.5 million through sponsorships and other incomes.

Name in block letters: ANDREW HY WONG  
 Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
 Date: 26.3.2013

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

**CEDB(CIT)037**

Question Serial No.

0264

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:

Under Matters Requiring Special Attention in 2013-14, the Commerce, Industry and Tourism Branch (CITB) undertakes to continue to maintain close communication and co-operation with the Mainland authorities on trade and investment issues. In this regard, what results were achieved or what specific tasks were carried out in the previous financial year (2012-13)? What was the expenditure involved? What are the work plans for the coming financial year (2013-14)? In his Policy Address, the Chief Executive reiterated that G2G (Government-to-Government) co-operation between Hong Kong and the Mainland would be enhanced. What will the CITB do to support this? Will there be increased expenditure to enhance the co-operation?

Asked by: Hon. CHUNG Kwok-pan

Reply:

The Commerce and Economic Development Bureau, Trade and Industry Department and Mainland Offices have maintained close liaison with the relevant Mainland authorities at various levels regarding issues of concern to the Hong Kong enterprises operating in the Mainland (including through the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade) to relay to them the trade's views and concerns, and to discuss with them measures to support the trade. The Government's Mainland Offices have also collaborated with local authorities and other trade associations to organise "Hong Kong Week" promotional events in Mainland cities in 2012 and 2013 to promote Hong Kong products and services, with a view to assisting Hong Kong enterprises in building up their brand image and exploring the domestic market. In 2013-14, we will continue to maintain our close liaison with the Mainland authorities at all levels.

On trade promotion, we have been organising various activities to strengthen the economic and trade exchanges and cooperation between Hong Kong and the Mainland through the Hong Kong Trade Development Council (TDC), including :

- Seminars: In 2012-13, the TDC jointly organised 9 seminars in Hong Kong and other Mainland cities such as Beijing with the Ministry of Commerce. The seminars introduced how Hong Kong professional services such as legal and accounting sectors could help Mainland enterprises upgrade and restructure, so as to facilitate exchanges and cooperation in services trade between Hong Kong and the Mainland. Nearly 880 representatives from Mainland enterprise attended the seminars. The TDC will continue to cooperate with the Ministry of Commerce to organise large-scale seminars in 2013-14.
- Inbound missions from Mainland cities: As at the end of February 2013, the TDC has received over 300 Mainland inbound missions with delegates from central ministries, provincial and municipal governments as well as enterprises from different Mainland cities. The TDC has also facilitated Mainland provinces and municipalities to organise trade and investment promotion activities in Hong Kong. In 2013-14, the TDC will continue to receive inbound missions from the Mainland according to actual needs.
- Trade missions to the Mainland: In 2012-13, the TDC organised 9 missions to lead Hong Kong service sectors to visit Wuhan, Fuzhou, Shanghai, Chongqing and Dalian, etc. 170 representatives from Hong Kong enterprises joined the missions. The TDC has also organised three large-scale missions to Ningxia, Shandong and Anhui, arranged the Hong Kong delegates to meet with local officials and visit relevant local enterprises, and provided business matching services to assist the food and agricultural products of Hong Kong to explore business opportunities. In 2013-14, the TDC will continue to strengthen the connection between Hong Kong and the Pearl River Delta region by organising Hong Kong enterprises to visit new development zones such as Qianhai, Nansha and Hengqin as well as second and third tier cities to understand more about their latest developments and the business opportunities brought to Hong Kong enterprises.

On investment promotion, in 2012-13, Invest Hong Kong (InvestHK) has partnered with the Ministry of Commerce as well as relevant Mainland authorities, such as the provincial/municipal bureaux of commerce and business associations, in conducting 24 promotion seminars in 20 Mainland cities including Wuhan, Tangshan, Nanchang, Changsha, Hangzhou and Xiamen. In 2013-14, InvestHK will continue to work closely with the Ministry of Commerce and relevant Mainland authorities in organizing investment promotion seminars targeting the fast-growing cities in the Mainland. These include cities like Zhengzhou, Wuxi, Nanning, Guangzhou, Guiyang and Harbin. InvestHK will continue with its efforts in promoting the pivotal role of Hong Kong as a platform for Mainland companies to go global and expand their business overseas.

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. No additional funding is required.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)038**

Question Serial No.

1270

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:

Under Matters Requiring Special Attention in 2013-14, the Commerce, Industry and Tourism Branch will strengthen efforts to promote the business advantages of Hong Kong in the Mainland, Taiwan and emerging markets such as Southeast Asia, as well as to attract more multinational companies to set up regional or global operations in Hong Kong. Please advise this Committee on the expenditure involved in the relevant work in 2012-13 and the effectiveness. How much provision will be made for the above work in the coming year? In what regions will the promotion efforts be strengthened? Please advise on the figures and work progress of each region.

Asked by: Hon. CHUNG Kwok-pan

Reply:

In 2013-14, Invest Hong Kong (InvestHK) will conduct marketing campaigns, seminars and investment promotion visits to attract and assist more companies from the Mainland, Taiwan and other emerging markets (including Southeast Asia) to set up or expand their business operations in Hong Kong. For the Mainland Market, InvestHK will continue to organise investment promotion seminars in the high-growth Mainland cities including Zhengzhou, Wuxi, Harbin, Nanning, Guangzhou, Guiyang and Xiamen, in collaboration with the Mainland authorities and business associations, to promote Hong Kong as an ideal platform for Mainland companies to go global.

As regards the Taiwan market, InvestHK will continue to reach out to a wide spectrum of Taiwan companies to provide them with the necessary support in setting up or expanding their operations in Hong Kong. InvestHK will strengthen its partnership with the Taiwan business community and organise seminars and conduct investment promotion visits in various Taiwan cities, with the support of its Investment Promotion Unit in the Hong Kong Economic, Trade and Cultural Office in Taiwan. InvestHK will also continue to maintain close liaison with the Taiwan business community in Hong Kong.

For the emerging markets, InvestHK will strengthen its promotion efforts in 2013-14 through conducting investment promotion visits in target emerging markets (including Southeast Asian countries such as Singapore, Thailand, Indonesia and Malaysia, as well as other emerging markets such as India, Russia, the Middle East and South America) to promote Hong Kong's business advantages and to attract more companies in setting up business in Hong Kong. InvestHK will also organise other investment promotion events, including local networking receptions, inviting the participation of representatives from companies, consulates and chambers of commerce from the target emerging markets.

The actual expenditure incurred in 2012-13 and the estimated expenditure in 2013-14 for conducting investment promotion activities in the Mainland, Taiwan and emerging markets are as follows:

<b>Market</b>	<b>Actual Expenditure in 2012-13 (HK\$ million)</b>	<b>Estimated Expenditure in 2013-14 (HK\$ million)</b>
Mainland	5.6	6.6
Taiwan	1	1
Emerging Markets	4	4
<b>Total</b>	<b>10.6</b>	<b>11.6</b>

In 2012, InvestHK completed a total of 62 investment projects from the Mainland, 8 from Taiwan and 26 from other emerging markets. InvestHK has increased its target for 2013 to complete 67 investment projects from the Mainland, 10 from Taiwan and 35 from other emerging markets.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)039**

Question Serial No.

1271

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:

As mentioned in the Matters Requiring Special Attention in 2013-14, the Commerce, Industry and Tourism Branch will continue to monitor the development of regional economic integration and explore the opportunities for Hong Kong's participation. What efforts were made in this regard in 2012-13? What opportunities has the Administration identified for Hong Kong? What was the expenditure involved? In 2013-14, what is the amount of public funds to be earmarked for work in this area? Are there any specific work plans?

Asked by: Hon. CHUNG Kwok-pan

Reply:

The Government has been actively participating in regional economic cooperation to strengthen trade and economic relations between Hong Kong and our major trade partners in the region, to ensure that Hong Kong can participate in economic integration in the region, and to bring new opportunities and room for development for Hong Kong enterprises. The major work involves two fronts: (1) Regional Economic Cooperation; and (2) Free Trade Agreements and economic and trade arrangements.

(1) Regional Economic Cooperation

On the regional economic cooperation front, Hong Kong has been actively participating in the Asia-Pacific Economic Cooperation (APEC) to promote broader cooperation in the Asia-Pacific region. Trade between Hong Kong and other member economies of APEC accounts for some 80% of Hong Kong's external trade. APEC has provided an excellent platform for Hong Kong to collaborate with other member economies on various trade and economic issues in the region.



APEC's primary goal is to achieve trade and investment liberalisation and facilitation for economic cooperation and growth. Hong Kong has been maintaining close economic relations with APEC member economies. Any measure which can further improve the business environment and facilitate trade and investment in the region will bring about opportunities for Hong Kong.

As far as trade facilitation is concerned, APEC's relevant work in this area such as simplifying customs procedures, enhancing business mobility through the APEC Business Travel Card, promoting electronic commerce and establishing mutual recognition arrangements for telecommunications, electrical and electronic equipment, etc. can help improve the region's business environment by saving business costs and time.

Moreover, Hong Kong also participates actively in the work of the Pacific Economic Cooperation Council (PECC). PECC serves as a forum for regional cooperation and policy coordination. It promotes trade and investment activities as well as economic development in the Pacific region through research and policy discussion. Participants to the PECC include government officials, business leaders and academics.

In 2013-14, we will continue to actively participate in the work of the regional cooperation organisations.

## (2) Free Trade Agreements and Economic and Trade Arrangements

The Hong Kong, China – New Zealand Closer Economic Partnership Agreement (CEP Agreement), which entered into force on 1 January 2011, has been implemented smoothly. In 2013-14, we will conduct the mandated review of the implementation of CEP Agreement together with New Zealand. We will also continue to enhance the bilateral economic and trade relations between Hong Kong and New Zealand as well as implement the liberalisation measures on trade in goods and services to promote trade and economic cooperation of the two places.

The Mainland of China and the Association of Southeast Asian Nations (ASEAN) are the largest and second largest trading partners of Hong Kong respectively. In November 2011, Hong Kong submitted a request to ASEAN for joining the China-ASEAN Free Trade Area (CAFTA) with a view to enhancing regional economic integration and assisting Hong Kong businessmen and investors in further exploring the Southeast Asian markets. Since then, the Government has been lobbying at different levels. The Chief Executive, the Financial Secretary, the Secretary for Commerce and Economic Development and the Director-General of Trade and Industry have written to and visited ASEAN member states a number of times, expressing our wish to join CAFTA and elaborating the benefits of Hong Kong's joining in a bid to garner support from relevant government officials and local business associations. The Government will continue its lobbying work in 2013. The Government, the Hong Kong Trade Development Council as well as industrial and trade organisations will organise business and trade missions to ASEAN member states to promote business connections between Hong Kong and ASEAN so as to explore more business opportunities.

In February 2013, Hong Kong and Thailand signed a Cooperation Arrangement on Strengthening Trade and Economic Relations to facilitate and promote bilateral economic cooperation in many areas, and thus further strengthening the economic ties between Hong Kong and Thailand. In 2013-14, we will set up a Joint Cooperation Committee comprising senior officials from both Hong Kong and Thailand in accordance with the Cooperation Arrangement to take forward various cooperation initiatives. We will also continue to discuss with interested trading partners to strengthen trade and economic cooperation for promoting regional economic integration.

Furthermore, we have been closely monitoring the development of free trade agreements in the region including the “Regional Comprehensive Economic Partnership (RCEP)”<sup>1</sup> and will consider Hong Kong’s participation as appropriate.

The work relating to regional economic integration is part of the overall work of commercial relations and the relevant expenditure has been subsumed under the overall estimated expenditure of Commerce and Economic Development Bureau and Trade and Industry Department. It is difficult to account for the manpower and financial resources separately.

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>26.3.2013</u>

<sup>1</sup> Currently ten ASEAN member states ( Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam ) and six countries ( Australia, China, India, Japan, New Zealand and Korea ) which have signed free trade agreements with ASEAN are involved in the RCEP negotiations. The RCEP negotiations will commence in early 2013 with an aim for completion by the end of 2015.

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

**CEDB(CIT)040**

Question Serial No.

1272

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:

1. Under Matters Requiring Special Attention in 2013-14, the Commerce, Industry and Tourism Branch 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. How effective were the measures being implemented in 2012-13? What was the amount of public money being spent in this regard? Please list the industries that have been assisted by the Administration through industrial restructuring and upgrading, and the operations that have been relocated and new markets opened up. What has the Administration done in respect of the textile and clothing industry? How much resources have been invested?
2. In 2013-14, will there be any plans by the Administration to assist the traditional or pillar industries to go for restructuring and upgrading? In this regard, will any additional expenditure and manpower be allocated to strengthen the work? What specific measures will be taken by the Administration to assist industries such as the textile and clothing industry?

Asked by: Hon. CHUNG Kwok-pan

Reply:

In 2012-13, the Commerce and Economic Development Bureau encouraged and assisted Hong Kong enterprises of various industries (including the textile and clothing industry) 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 the trade's 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 relay to them the trade's views and to discuss with them measures to support the trade;
- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities such as symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade's understanding of the Mainland's new policies, regulations and business environment. TID's website includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland;
- organising promotional activities and trade fairs and organising delegations to visit the Mainland through the Hong Kong Trade Development Council (TDC), 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 Mainland market information through the TDC and the Hong Kong Productivity Council, etc.;
- with regard to financial support, assisting small and medium enterprises (SMEs) through the on-going "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, business restructuring or relocation;
- through the Dedicated Fund on Branding, Upgrading and Domestic Sales launched on 25 June 2012, providing funding support to individual enterprises and non-profit-making organisations, so as to assist enterprises in enhancing their competitiveness and facilitating their business development in the Mainland, and capturing the opportunities arising from the National 12th Five-year Plan; and
- arranging our Mainland Offices to collaborate with trade associations and other organisations to organise "Hong Kong Week" promotional events in the Mainland in 2012 and 2013, in order to promote Hong Kong products and services, with a view to assisting Hong Kong enterprises in building up their brand image and exploring the domestic market.

The Mainland authorities have responded positively to many proposals of the Government and the trade. Various facilitation and support measures were launched in the past few years, including the implementation of "restructuring without stopping production", "consolidated tax return for multiple domestic sales" and streamlining procedures for outward processing. In addition, in 2012, the "Guangdong Foreign-invested Enterprises Commodities Fair" previously held in Dongguan annually has been upgraded to a national expo and renamed as the "China Processing Trade Products Fair", so as to further assist foreign-invested enterprises (including Hong Kong-funded enterprises) in the Mainland in exploring the domestic sales market and promote the upgrading and restructuring of enterprises.

According to the figures provided by the Guangdong Provincial Government, there were about 11 000 enterprises engaged in processing trade (which are not legal persons) as at the end of 2012, of which 7 128 have successfully been restructured into one of the three types of foreign-funded enterprises (about 90% of them are Hong Kong enterprises).

In 2013-14, we will continue to implement the above measures to provide appropriate support and assistance to Hong Kong enterprises (including those from the textile and clothing industry) in upgrading and restructuring of their operations and promoting domestic sales in the Mainland market. In addition, the TDC will set up more Design Gallery shops in Mainland cities other than Beijing and Guangzhou to offer platforms for Hong Kong enterprises, especially SMEs, to showcase their products and to build up greater awareness of Hong Kong brands in the Mainland.

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.

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>26.3.2013</u>

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

**CEDB(CIT)041**

Question Serial No.

1273

Head: 152 Government Secretariat: Commerce and Subhead (No. & title):  
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 2013-14 estimated provision for commerce and industry is \$167.7 million, representing an increase of 15% (or an increase of 10.9% over the original estimate for 2012-13). In what aspect of work will the increased provision be used? What are the details?

Asked by: Hon. CHUNG Kwok-pan

Reply:

Provision for 2013-14 is \$21.9 million (15.0%) higher than the revised estimate for 2012-13. The increased provision is mainly for providing secretariat services and relevant support to the new Economic Development Commission, increased estimate for the subscription to the World Trade Organization and increased salary provision for the creation of posts and staff changes.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)042**

Question Serial No.

1282

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

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 (TDC) has more than 40 offices worldwide, with 11 in the Mainland. Will the TDC set up new overseas offices in 2013-14, particularly in emerging markets, to assist Hong Kong small and medium enterprises in tapping business opportunities and expanding their businesses? If yes, how many will be set up and what are the locations of these offices?

Asked by: Hon. CHUNG Kwok-pan

Reply:

The Hong Kong Trade Development Council (TDC) has a total of 41 offices outside Hong Kong, including 11 offices in the Mainland China. In recent years, the swift economic development of the Jiangsu Province and the western part of our country has brought numerous business opportunities for Hong Kong companies. In view of this, TDC plans to open new offices in Nanjing (the provincial administrative centre of Jiangsu Province) and Chongqing in 2013-14, with a view to assisting small and medium-sized enterprises in Hong Kong to grasp the business opportunities.

Besides, TDC has sent a Hong Kong staff to work in its consultant office in Jakarta of Indonesia early this year in order to strength its functions. TDC hopes that this, together with other offices in the Southeast Asia region (i.e. Thailand, Vietnam and Malaysia) will further help Hong Kong

companies explore the ASEAN (i.e. Association of Southeast Asia Nations) market, and strengthen the trade relations between Hong Kong and countries in ASEAN and Asia.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013



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

**CEDB(CIT)043**

Question Serial No.

1283

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

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:

It is stated in the Matters Requiring Special Attention in 2013-14 under this programme that the Commerce, Industry and Tourism Branch will sharpen Hong Kong Trade Development Council (TDC)'s capabilities to serve and nurture a new breed of small and medium enterprises (SMEs); strengthen TDC's entrepreneurial programme to better support the younger generation of SMEs; help SMEs explore new production areas involving lower cost; assist SMEs to develop their marketing capabilities through database development, enhanced customer service and office network; and develop the TDC as a more customer-oriented organisation through proactive outreach programmes for stakeholders and the use of social media tools. Please advise this Committee on the details of the specific action plan, details of the estimated provision, staff establishment and expected effectiveness of the above work.

Asked by: Hon. CHUNG Kwok-pan

Reply:

Small and medium enterprises (SMEs) have all along been the focus of the services of the Hong Kong Trade Development Council (TDC). TDC also endeavours to nurture the new generation of SMEs, which have been established for less than three years generally. TDC will pursue the following work in 2013-14:-

- (1) TDC will continue to enhance the capabilities of the new generation of SMEs through the following services:-
  - to organise seminars in collaboration with the Hong Kong Federation of Youth Groups to promote entrepreneurship; and to organise the "TDC Trade Ambassador Programme" in collaboration with local tertiary institutes;

- to enhance the support services provided by the SME Centre such as the advisory services for SMEs as well as the organisation of regular workshops and seminars on entrepreneurship;
  - to provide SMEs with the latest market intelligence through research reports, digitised Research Portal, electronic newsletters and trade publications; and
  - to organise a series of seminars, workshops and training courses for SMEs to enhance their understanding of the latest market information, trade regulations as well as various techniques in penetrating into the Mainland domestic market and brand building.
- (2) To strengthen the entrepreneurial programme and to assist SMEs to develop their marketing capabilities, TDC will implement the following measures to support SMEs in 2013-14:-
- to enhance its customer database infrastructure, especially information on importers, distributors, retailers and e-tailers in emerging markets, as well as to enrich the information database on brands licensors, franchisors and information technology companies in mature markets;
  - to open offices in Nanjing and Chongqing to provide better support for SMEs interested in exploring the markets of the Jiangsu Province and the western part of our country. Moreover, TDC has sent a full time staff to work in its Consultant Office in Jakarta of Indonesia;
  - to open new “Design Gallery” shops in Wuhan and Qingdao in 2013-14, and Chengdu in 2014-15, in order to further expand the network of “Design Gallery” in Mainland China. Besides, TDC is collaborating with a famous department store group in Mainland China – the New World Department Store, to open a series of “Design Gallery” inside the stores under the concept of “shop-in-shop”;
  - to organise two special events for start-ups and SMEs, namely the “Entrepreneurship Day” in May and the “World SME Expo” in December and to provide various business support services for them;
  - to offer discounted booths in selected fairs to lower the entry threshold for local start-ups. For example, “Economic Booth” with smaller booth size and “Cubic Showcase” for product display with company information are introduced to enable new enterprises with less resources to participate and promote their products in international fairs. More than 500 SMEs have benefited from these new initiatives since their introduction in October 2010. TDC will continue to provide these services in response to market demand; and
  - to introduce the Small-Order Zone in its local trade fairs in response to the small orders purchasing mode for buyers from emerging markets. Over 1 200 suppliers have participated in this initiative since its introduction in April 2012, which has resulted in more than 80 000 business matchings.

(3) In view of the rising production costs in the Pearl River Delta region, TDC 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. Major activities include the organisation of trade missions to Myanmar, Indonesia and Vietnam etc., so as to help Hong Kong producers to assess the suitability of these places as alternative manufacturing bases.

The above are part of the work covered under Programme (3) to be carried out by TDC's existing staff. We do not have separate breakdown of staff establishment and expenditures for each of them. We expect that more Hong Kong SMEs will benefit from the relevant work.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)044**

Question Serial No.

1284

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

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:

It is stated in this programme that the functions of the Hong Kong Trade Development Council (TDC) include promoting Hong Kong as a platform for doing business with Mainland and throughout Asia. What was the effectiveness of the work carried out by the TDC in 2012-13 and what was the amount of funding involved? Please also advise this Council whether the TDC has any specific plan or strategy in respect of such work in 2013-14? And what are the details of the estimated provision, staff establishment and expected effectiveness?

Asked by: Hon. CHUNG Kwok-pan

Reply:

Hong Kong Trade Development Council (TDC) has been actively promoting Hong Kong's role as the leading business services hub in the world, at the same time highlighting Hong Kong's position as the leading centre for offshore Renminbi (RMB) business, fund raising and asset management centre, an intellectual property (IP) trading centre, and Asia's lifestyle trendsetter etc.. TDC also encourages Mainland and other Asian enterprises to explore the global business through various promotional events and its trade fairs in Hong Kong. In 2013-14, TDC has set aside \$194 million for the above-mentioned initiatives. Major initiatives of TDC in this aspect in 2013-14 include:

- to stage the large-scale promotional event - "Think Asia, Think Hong Kong" in New York and Los Angeles of the US in June this year to promote Hong Kong's advantages as a business platform among US companies interested in doing business in Asia;
- to organise tripartite business missions to Japan, Europe and the US to forge partnership between Hong Kong brand agents, Mainland department stores and overseas brand owners;
- to add new topics like wealth management, Mainland enterprises' outbound investment and liberalisation of the financial services in Guangdong etc. to the Asian Financial Forum, to enrich the content of the forum;

- to develop Hong Kong International Film and TV Market (FILMART) into the world's largest marketplace for film and television by adding television, new media and digital entertainment elements into it;
- to stage Asian Logistics and Maritime Conference concurrently with the Hong Kong International Wine & Spirit Fair and GS1 Hong Kong Supply Chain Management Excellence Summit to attract a larger and more diversified audience;
- to enrich the content of comics art, sports and celebrity licensing in the Hong Kong International Licensing Show, and to expand the Asian Licensing Conference to solidify the role of Hong Kong as Asia's premier licensing platform;
- to develop Business of Intellectual Property Asia Forum into the region's signature event on IP; to forge strategic alliance with overseas partners to enrich and internationalise the content of its IP Portal;
- to set up Business of IP Zones at some of TDC's exhibitions, including the Fashion Week for Spring/Summer, Fashion Week for Fall/Winter, Electronics Fair (Spring Edition), Electronics Fair (Autumn Edition), Lighting Fair (Spring Edition), Lighting Fair (Autumn Edition), FILMART, Inno Design Tech Expo (IDT Expo), Entrepreneur Day, Hong Kong International Medical Devices and Supplies Fair and Eco Expo Asia;
- to develop IDP Expo into a platform for IP trading; and
- to promote the role of Hong Kong as a platform to penetrate into the Mainland and other Asian markets, as well as the overall advantages of Hong Kong's services industries, through the organisation of a wide range of activities including the annual Hong Kong Forum by its global offices network, the Federation of Hong Kong Business Associations Worldwide as well as the six bilateral committees (Japan, US, Korea, European Union, France and Taiwan).

TDC organised a variety of promotion activities, such as trade fairs, business missions and product displays in 2012-13, bringing a total of over 410 Hong Kong small and medium enterprises (SMEs) to countries such as Myanmar, India, Indonesia, Vietnam and Malaysia for market visits and trade promotion. These outbound activities helped Hong Kong companies better understand the new opportunities available and further expand business network in these markets. Moreover, TDC organised the second edition of Lifestyle Expo in Jakarta in March 2013, bringing about 200 Hong Kong SMEs to promote a variety of their quality products.

The above are part of the work covered under Programme (3) to be carried out by TDC's existing staff. We do not have separate breakdown of staff establishment and expenditure for each of them. We expect that more Hong Kong enterprises will benefit from the relevant work.

Name in block letters: ANDREW HY WONG  
 Post Title: Permanent Secretary for Commerce and Economic  
 Development (Commerce, Industry and Tourism)  
 Date: 26.3.2013

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

**CEDB(CIT)045**

Question Serial No.

1285

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

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 (TDC) provides comprehensive development and training programmes to assist Hong Kong companies penetrating new markets and niche sectors. Please give a detailed account of the work undertaken by the TDC in this area, the funding involved and the effectiveness in terms of new markets penetrated and niche sectors identified in 2012-13. What are the work plans, estimated provisions, staff establishment and expected achievements in the next financial year 2013-14? Meanwhile, how will the TDC support the objective of deepening and expanding our industries as proposed by the Chief Executive in his Policy Address? Which industries and new overseas markets will be selected for focused development?

Asked by: Hon. CHUNG Kwok-pan

Reply:

Explore the Emerging Markets

In 2012-13, the Hong Kong Trade Development Council (TDC) assisted Hong Kong companies to develop emerging markets in a proactive manner. TDC provided small and medium enterprises (SMEs) with the latest market intelligence through its newly-launched multimedia portal "TDC Research" and a number of research publications. It also organised a variety of activities, such as trade fairs, business missions and product displays, bringing a total of over 700 Hong Kong SMEs to countries such as Myanmar, India, Indonesia, Malaysia, Vietnam, Poland, Turkey, Russia, United Arab Emirates (UAE), Saudi Arabia, South Africa, Brazil, Chili, Peru and Mexico for market visits and trade promotion, to help Hong Kong companies tap opportunities and expand networks in these markets. For example, TDC organised the second edition of Lifestyle Expo in Jakarta in March 2013, bringing about 200 Hong Kong SMEs to promote a variety of their quality products. As for promoting of services industry, TDC arranged outbound missions to assist different local services industries in exploring emerging markets. For example, TDC organised a mission to Kuala Lumpur in Malaysia for the information technology industry in June 2012; and a logistics services mission to Cambodia, Myanmar & Bangkok in Thailand in March 2013 etc..

In 2013-14, TDC will focus on helping Hong Kong companies to explore the business opportunities in emerging markets with strong consumption power, including India, Indonesia, Turkey and Latin America etc.. TDC will also establish a set of appropriate and comprehensive strategies for each market, so as to promote the major export products of Hong Kong in these markets such as electronics, garment and accessories, watches and clocks, jewellery, gifts and household products etc.. TDC will continue, as usual, to implement trade promotion measures to support the objectives set out in the Chief Executive's Policy Address. Some of the highlighted activities are as follows:

- to organise “Lifestyle Expo” in Jakarta and Istanbul to promote Hong Kong products and brands. TDC will set up “Small Order Zone” in the trade fairs to help Hong Kong SMEs tap into these emerging markets;
- to organise sector-specific business missions to Indonesia, India, Malaysia, Vietnam, UAE, Russia, Latin America and Africa, to promote the stylish products of Hong Kong;
- to organise delegations to emerging markets such as Myanmar and Indonesia to help Hong Kong manufacturers assess the suitability of these places as alternate manufacturing bases;
- to set up Hong Kong Pavilions at the trade fairs in Dubai of UAE and Mumbai of India to promote Hong Kong designs and brands;
- to explore the possibility of organising a Hong Kong-India Business Roundtable to enlist the support from key Indian trade associations and business enterprises;
- to lead business missions for enterprises from different service industries to emerging markets, e.g. a business mission for the infrastructure and real estate services sector to Myanmar and a business mission for the information and technology sector to Thailand; to organise seminars and various promotional activities in emerging markets such as the ASEAN (Association of Southeast Asian Nations) countries, to promote the advantages of Hong Kong's services industries;
- to expand TDC's database on emerging markets by adding more company files of importers, distributors, retailers and online retailers, beefing up information on potential buyers of Hong Kong products and services in ASEAN markets and encouraging stronger ASEAN participation in our signature events and trade fairs; and
- to organise seminars and workshops to update SMEs with the latest developments of the emerging markets and niche sectors.

#### Promote the Niche Markets

In 2012-13, TDC promoted niche sectors such as silver market, green products, pet supplies and baby products proactively. Concrete tasks included arranging overseas buyer missions of pet supplies to visit Hong Kong; organising a mission to Nuremberg and Paris for Hong Kong pet supplies companies; and organising a mission to Tokyo for Hong Kong silver products suppliers. TDC also led Hong Kong companies to participate in the International Trade Fair for Pet Supplies in Nuremberg, International Children's and Youth Fair in Cologne, Home Care & Rehabilitation Exhibition in Tokyo, and China International Pet Show in Beijing. Moreover, TDC also promoted niche sectors through its exhibitions in Hong Kong, such as Hong Kong Baby Products Fair, Eco Expo Asia, and the World of Pet Supplies in the Hong Kong Houseware Fair; and the setting up of

silver product zone in related exhibitions. About 500 Hong Kong traders and 110 000 overseas buyers participated, and about 1 000 business matching sessions were conducted in the above events.

In 2013-14, major activities of TDC to promote niche sectors include the organisation of inbound missions for overseas pet product buyers and the eco sector in Canada; an outbound mission to the US for Hong Kong pet product suppliers; a mission to Kawasaki in Japan for eco sector; a mission to Australia for Hong Kong silver product suppliers; and a mission to Shanghai and Suzhou for baby product suppliers. It will also arrange the Hong Kong suppliers to participate in the International Children's and Youth Fair in Cologne, China International Pet Show in Guangzhou, Global Pet Expo in Orlando, as well as the green manufacturing promotional activities in Las Vegas in the US, and Berlin and Hannover in Germany. Meanwhile, TDC will continue to organise the Hong Kong Baby Products Fair, Eco Expo Asia, and set up the World of Pet Supplies in the Hong Kong Houseware Fair; and to set up zones for silver products and green products in its fairs as appropriate.

TDC has also stepped up its efforts in promoting Hong Kong as an intellectual property (IP) trading platform in recent years. The major initiatives of TDC in 2013-14 include the development of Business of Intellectual Property Asia Forum into the region's signature event on IP; and the forge of strategic alliance with overseas partners to enrich and internationalise the content of its IP Portal.

The above are part of the work covered under Programme (3) to be carried out by TDC's existing staff. We do not have separate breakdown of staff establishment and expenditure for each of them. We expect that more Hong Kong companies will benefit from the TDC's work to be done in 2013-14.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013



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

**CEDB(CIT)046**

Question Serial No.

1286

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

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:

As indicated in the Matters Requiring Special Attention in 2013-14 under this Programme, the Hong Kong Trade Development Council (TDC) will, among others, assist Hong Kong companies to develop their brands and extend their penetration into the Mainland consumer market. Please advise this Committee of the concrete plans, estimated provisions, staff establishment and expected effectiveness in this regard. In the Policy Address, the Chief Executive also advocated the further development of the Hong Kong brand. What kind of support will the TDC provide accordingly?

Asked by: Hon. CHUNG Kwok-pan

Reply:

In 2013-14, the Hong Kong Trade Development Council (TDC) has earmarked \$206 million under the present staff establishment to help Hong Kong companies build up sales network in Mainland China through brand building and promotion of Hong Kong products, with a view to assisting them to tap the business opportunities in the Mainland market. The measures include the following :

- to stage “Style Hong Kong” shows in various Mainland cities (including Qingdao, Changchun and Changsha) to sell Hong Kong designs and branded products directly to Mainland consumers. Business matching sessions will also be arranged during the shows to allow Hong Kong companies to meet and explore the co-operation opportunities with the potential business partners;
- to continue to display and sell Hong Kong stylish products and enhance the brand awareness of Hong Kong products through its “Design Gallery” shops in Beijing and Guangzhou as well as the online “Design Gallery” at Taobao.com (T-Mall);
- to organise exhibitions for specific product sectors in mainland cities and launch short-term product promotions in suitable department stores;

- to organise Hong Kong companies to take part in major Mainland consumer exhibitions and set up Hong Kong pavilion in suitable trade exhibitions in the Mainland China to promote products and services of Hong Kong;
- to organise missions to Mainland cities such as Suzhou, Shanghai, Guangzhou, Wuhan and Changsha for different industries including food and beverages, auto parts, toys and baby products, etc. to help Hong Kong companies better understand the retail markets of different Mainland cities; and
- to organise seminars to educate Hong Kong companies on intellectual property, brand building and knowledge in the development of mainland domestic market.

Moreover, to further promote the Hong Kong brand, TDC opened Design Gallery shops at the Oriental Plaza in Beijing and the Tee Mall in Guangzhou in June 2009 and July 2012 respectively, in order to establish long-term selling outlets for Hong Kong companies to test their products in the Mainland market, as well as build up greater awareness of Hong Kong brands. Since their establishment, the Design Gallery shops have attracted the participation of over 120 Hong Kong brands, with products ranging from fashion accessories, jewellery, watches, gifts, to houseware and electronic commodities etc.. Many Hong Kong brands have found business partners in the Mainland through the Design Gallery shops and eventually set up their own outlets in different Mainland cities.

TDC plans to open new Design Gallery shops in Wuhan and Qingdao in 2013-14, and Chengdu in 2014-15, in order to further expand the network of Design Gallery shops in Mainland China. In addition, the TDC is collaborating with department stores in the Mainland China to open a series of Design Gallery inside the stores under the concept of “shop-in-shop”.

TDC estimates that the Design Gallery shops in Wuhan and Qingdao would be open in April and July this year respectively. The first “shop-in-shop” inside a department store will be open on 28 March in Shanghai this year, whereas another two “shops-in-shop” in Beijing and two more “shops-in-shop” in Wuhan will commence operation in July and October this year respectively.

Companies which develop Hong Kong brands can use TDC’s Design Gallery and Style Hong Kong shows platform to test the mainland market, and find mainland business partners to set up sales network in different mainland cities through TDC’s business matching services. TDC expects more Hong Kong companies will benefit from its work in 2013-14.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)047**

Question Serial No.

1287

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

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:

It is stated in the Matters Requiring Special Attention in 2013-14 under this Programme that the Hong Kong Trade Development Council will build high-profile international events in Hong Kong to promote Hong Kong as Asia's service hub; promote Hong Kong as an intellectual property trading platform; and reinforce Hong Kong's trendsetting capabilities and enhance integration with the local community through lifestyle events. Please advise this Committee on the details of these initiatives, the estimated provision, staff establishment and expected effectiveness.

Asked by: Hon. CHUNG Kwok-pan

Reply:

The Hong Kong Trade Development Council (TDC) has been actively promoting Hong Kong as Asia's services hub through the establishment of various large-scale international events in Hong Kong, such as the Asian Financial Forum, Hong Kong International Film and TV Market (FILMART), Hong Kong International Licensing Show and Inno Design Tech Expo (IDT Expo), in recent years. TDC plans to introduce new elements into its large-scale international events concerning services industries, in order to attract more people from the industries to participate. Some examples are set out below:-

- to add new topics such as wealth management, Mainland enterprises' outbound investment and liberalisation of the financial services in Guangdong etc. to the Asian Financial Forum, to enrich the content of the forum;
- to develop FILMART into the world's largest marketplace for film and television by adding television, new media and digital entertainment elements into it;
- to stage Asian Logistics and Maritime Conference concurrently with the Hong Kong International Wine & Spirit Fair and GS1 Hong Kong Supply Chain Management Excellence Summit to attract a larger and more diversified audience;

- to enrich the content of comics art, sports and celebrity licensing in the Hong Kong International Licensing Show, and to expand the Asian Licensing Conference to solidify the role of Hong Kong as Asia's premier licensing platform; and
- to showcase various commercial designs and feature the IT consultants from Hong Kong at the IDT Expo to promote Hong Kong as an one-stop services platform for the Mainland and Asian companies.

#### Promote Hong Kong as an intellectual property (IP) trading platform

TDC has also stepped up its efforts in promoting Hong Kong as an IP trading platform in recent years. The major initiatives of TDC in this aspect in 2013-14 include:

- to develop Business of Intellectual Property Asia Forum into the region's signature event on IP;
- to forge strategic alliance with overseas partners to enrich and internationalise the content of its IP Portal;
- to organise sector-specific IP seminars at various trade fairs to enhance the understanding of IP trading among Hong Kong companies;
- to set up Business of IP Zones at some of TDC's exhibitions, including the Fashion Week for Spring/Summer, Fashion Week for Fall/Winter, Electronics Fair (Spring Edition), Electronics Fair (Autumn Edition), Lighting Fair (Spring Edition), Lighting Fair (Autumn Edition), FILMART, IDT Expo, Entrepreneur Day, Hong Kong International Medical Devices and Supplies Fair and Eco Expo Asia; and
- to develop IDP Expo into a platform for IP trading.

#### Reinforce Hong Kong's role as a trendsetter

For reinforcing Hong Kong's role as a trendsetter, TDC plans to add more cultural elements into some of its cultural related exhibitions in 2013-14, and to encourage public participation in these events. For example, TDC will stage city-wide promotions during Hong Kong Book Fair and World Boutique to attract more local people to participate. Past performance is set out below:-

- during the staging of the Hong Kong Book Fair in July last year, TDC co-organised more than 50 cultural events with various book stores, educational and cultural institutions as well as shopping malls, with a view to promoting reading culture and promulgating the Book Fair. These events altogether attracted more than 12 600 participants; and
- to raise the public awareness on fashion and promote the World Boutique event, TDC organised various related activities in shopping malls, coffee shops, boutiques, beauty stores and restaurants throughout the event in January this year. TDC also organised events such as fashion accessories demo sessions and fashion shows for the public to participate. More than 6 000 public audiences watched the Hong Kong Fashion Extravaganza show through the dedicated webpage for TDC at the social media Google+ and the live broadcast at the video wall at the Times Square.

The above are part of the work covered under Programme (3) to be carried out by TDC's existing staff. We do not have separate breakdown of staff establishment and expenditure for each of them. We expect that more Hong Kong companies and the public will benefit from the TDC's work to be done in 2013-14.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)048**

Question Serial No.

1288

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:

It is stated in Matters Requiring Special Attention in 2013-14 under this Programme that the Commerce, Industry and Tourism Branch (CITB) will enhance efforts in promoting co-operation between Hong Kong and Taiwan on trade, investment and tourism matters. Please provide details of the above work, including specific measures, manpower arrangement and expenditure required, etc. Please also advise this Committee of the expected effectiveness of such work.

Asked by: Hon. CHUNG Kwok-pan

Reply:

The Hong Kong Special Administrative Region Government will continue to actively promote co-operation with Taiwan in the areas of trade, investment and tourism. Relevant work would include –

- On trade promotion, Hong Kong Trade Development Council (TDC) Taipei Office will continue to promote Hong Kong's services industries, and encourage Taiwan brands to co-operate with Hong Kong companies, in order to leverage on Hong Kong's services platform to tap overseas and Mainland markets together. In 2013-14, TDC will continue to promote trade and business co-operation between Hong Kong and Taiwan through organising different activities such as trade fairs, outbound missions, symposiums, seminars, roadshows and business matching activities, etc. In addition, TDC will put more emphasis on promoting sectors where Hong Kong enjoys advantages, such as brand marketing, arbitration, logistics and licensing, etc. The estimated budget of TDC for trade promotion in Taiwan in 2013-14 is around \$6 million.
- On investment promotion, Invest Hong Kong (InvestHK) will continue to step up its promotional efforts in Taiwan and organise various activities to encourage and assist the Taiwan companies to set up or expand their business in Hong Kong. In 2013-14, through its investment promotion unit at the Hong Kong Economic, Trade and Cultural Office in Taiwan, InvestHK will continue to reach out proactively to a wide spectrum of Taiwan companies and

conduct investment promotion visits to different cities in Taiwan. InvestHK will also organise networking reception for the representatives of the Taiwan companies and business associations in Hong Kong, and continue to maintain close liaison with the Taiwan business community and provide them with aftercare support. The estimated budget of InvestHK for investment promotion in the Taiwan market in 2013-14 is about \$1 million.

- On tourism, Taiwan is currently Hong Kong's second largest visitor source market. Starting from 1 September 2012, eligible Taiwan residents may submit pre-arrival registration for visiting Hong Kong through the internet free of charge. This measure facilitates Taiwan travellers to visit Hong Kong and helps enhance their propensity to come here for vacation. Leveraging on this arrangement, the Hong Kong Tourism Board (HKTB) will increase its promotional budget in Taiwan in 2013-14, and will work closely with the Taiwan travel trade to attract young and family visitors. Besides Taipei, it will launch promotion in second-tier cities such as Taichung and Kaohsiung, including co-operating with popular radio channels to raise Hong Kong's appeal as Asia's World City. The estimated marketing budget of the HKTB for Taiwan in 2013-14 is about \$11.9 million, and the related work will be carried out by the HKTB's Taipei office. The HKTB expects a 3.4% growth in Taiwan overnight visitor arrivals in 2013.

Moreover, the Government will continue to, through the platforms of "Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council" and "Hong Kong – Taiwan Business Co-operation Committee" of Hong Kong, and the "Taiwan-Hong Kong Economic and Cultural Co-operation Council" and "Economic Co-operation Committee" of Taiwan, enhance multi-faceted and in-depth exchanges between Hong Kong and Taiwan and strengthen bilateral economic co-operation, with a view to promoting economic and trade development of the Mainland, Hong Kong and Taiwan.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)049**

Question Serial No.

1289

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 Financial Secretary has proposed to extend the application period for special concessionary measures under the SME Financing Guarantee Scheme (SFGS) for one year. In the meantime, the Commerce, Industry and Tourism Branch will continue to monitor and review the implementation of the measures in 2013-14. Please tabulate by trade the number of applications for special concessionary measures under the SFGS, percentage of successful applications, and the reasons for unsuccessful applications in the past year. What is the total guarantee commitment provided so far? What is the average processing time for application vetting? Given the one-year extension of application period for special concessionary measures, what is the estimated loan amount involved? Which trades have more pressing needs?

Asked by: Hon. CHUNG Kwok-pan

Reply:

The Hong Kong Mortgage Corporation Limited (HKMC) launched the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) on 31 May 2012. The Government has provided a total loan guarantee commitment of \$100 billion. As at 28 February 2013, the HKMC has received over 6 800 applications and approved over 5 900 applications, involving a total loan amount and a total guarantee amount of over \$26 billion and \$20 billion respectively. Excluding 597 applications under processing and 327 applications withdrawn by lending institutions or borrowers, the overall success rate of applications is about 99.5%. 31 applications have been rejected, and the percentage is around 0.5%. Major considerations involved include poor repayment ability, poor financial performance and account conduct, high leverage, poor record of accounts receivable, or having pending legal litigation with significant financial impact, etc.



The number of applications approved under the special concessionary measures by sector is as follows:

Sector	No. of Applications Approved	Percentage of Total Applications Approved	Approved Facility Amount (HK\$ million)	Approved Guarantee Amount (HK\$ million)
<b>Manufacturing</b>	<b>1 659</b>	<b>28.1%</b>	<b>8,158.6</b>	<b>6,526.9</b>
Textiles and clothing	340	5.8%	1,864.4	1,491.6
Electronics	161	2.7%	820.4	656.3
Plastics	120	2.0%	501.8	401.4
Printing and publishing	116	2.0%	445.9	356.7
Others	922	15.6%	4,526.1	3,620.9
<b>Non-manufacturing</b>	<b>4 245</b>	<b>71.9%</b>	<b>17,918.0</b>	<b>14,334.4</b>
Trading	2 641	44.7%	11,908.6	9,526.9
Wholesale and retail	510	8.6%	2,027.7	1,622.1
Construction	140	2.4%	596.7	477.4
Transportation/logistics	132	2.2%	459.3	367.4
Engineering	129	2.2%	444.5	355.6
Others	693	11.8%	2,481.2	1,985.0
<b>Total</b>	<b>5 904</b>	<b>100%</b>	<b>26,076.6</b>	<b>20,861.3</b>

SFGS including the special concessionary measures is administered in accordance with prudent commercial principles. All guarantee applications should meet the requirements for obtaining a guarantee under the SFGS and enterprises should provide relevant documents. In general, the HKMC would notify the lending institutions of the result of the applications in writing in about three working days upon receipt of complete information from them.

As the loan amount involved and industry demand in the coming year will be affected by a number of factors, including the prevailing economic situation, we are unable to provide relevant estimates.

Name in block letters: ANDREW HY WONG  
 Post Title: Permanent Secretary for Commerce and Economic  
 Development (Commerce, Industry and Tourism)  
 Date: 26.3.2013

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

**CEDB(CIT)050**

Question Serial No.

1304

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

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:

In his Budget Speech, the Financial Secretary mentioned that the Hong Kong Trade Development Council (HKTDC) would set up more Design Galleries in Mainland cities other than Beijing and Guangzhou to offer platforms for Hong Kong enterprises, especially small and medium enterprises, to showcase their products. This will help Hong Kong enterprises gain access to the Mainland market and build up greater awareness of Hong Kong brands there. Please advise this Committee of the locations, scheduled dates of inception, estimated expenditures and staff establishment of these new Design Galleries. Is there any past data or information that indicates the effectiveness of such Design Galleries in promoting Hong Kong products and gaining access to the Mainland market?

Asked by: Hon. CHUNG Kwok-pan

Reply:

The Hong Kong Trade Development Council (TDC) opened Design Gallery shops at the Oriental Plaza in Beijing and the Tee Mall in Guangzhou in June 2009 and July 2012 respectively, in order to establish long-term selling outlets for Hong Kong companies to test their products in the Mainland market, as well as build up greater awareness of Hong Kong brands. Since their establishment, the Design Gallery shops have attracted the participation of over 120 Hong Kong brands, with products ranging from fashion accessories, jewellery, watches, gifts, houseware and electronic commodities etc. Many Hong Kong brands have found business partner(s) in the Mainland through the Design Gallery shops and eventually set up their own outlets in different Mainland cities.

The TDC plans to open new Design Gallery shops in Wuhan and Qingdao in 2013-14, and Chengdu in 2014-15, in order to further expand the network of Design Gallery in the Mainland. In addition, the TDC is collaborating with department stores in the Mainland to open a series of Design Gallery inside the stores under the concept of “shop-in-shop”.

The TDC estimates that the Design Gallery shops in Wuhan and Qingdao would be open in April and July this year respectively. The first “shop-in-shop” inside a department store will be open on 28 March in Shanghai this year, whereas another two “shops-in-shop” in Beijing and two more “shops-in-shop” in Wuhan will commence operation in July and October this year respectively.

The TDC’s relevant budget in 2013-14 is \$12 million, which includes the cost for shop renovation, operation and promotion.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)051**

Question Serial No.

1307

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:

Under this programme, the matters requiring special attention of the Commerce, Industry and Tourism Branch in 2013-14 include continuing to support the Hong Kong Tourism Board in MICE (Meetings, Incentive Travels, Conventions and Exhibitions) promotion work. Please inform this Committee of the expenditure and outcome of the related work in the past year; whether provision will be increased in 2013-14 to step up promotion; and of the projected outcome.

Asked by: Hon. CHUNG Kwok-pan

Reply:

The revised estimates of the Hong Kong Tourism Board (HKTB) for promoting MICE (meetings, incentive travels, conventions and exhibitions) tourism in 2012-13 is \$48.5 million. Despite the volatile global economic environment in the past year, the number of overnight MICE arrivals to Hong Kong registered a year-on-year increase to reach 1.61 million. MICE visitors are usually high-spending ones. According to the HKTB's latest figures, the per-capita spending of overnight MICE visitors in 2012 was \$9,959, up by 8.4% over 2011 and 27.3% higher than that of the overall overnight visitors of \$7,819 in 2012. At the same time, a number of large-scale MICE events were staged in Hong Kong and some of them came here for the first time, including the NuSkin Greater China Regional Convention 2012 (over 20 000 participants), the FDI Annual World Dental Congress 2012 (over 10 000 participants), and the Hong Kong International Bakery Expo (over 17 000 participants). In 2012, the Meetings and Exhibitions Hong Kong (MEHK) Office under the HKTB provided support to some 1 900 MICE events. Amongst them, over 980 were secured through the MEHK's proactive lobbying efforts or assistance.

According to the survey conducted by the HKTb with MICE organizers and visitors in 2012, over 80% of the interviewees considered Hong Kong as a major MICE destination in the Asia Pacific region.

In 2013-14, the HKTb plans to spend \$40.7 million on MICE promotion. As at to-date, the number of events confirmed to be held in Hong Kong during the year is similar to that in the corresponding period last year. These include the USANA Asia Pacific Convention (expected attendance: 10 000), HOFEX 2013 – The 15th International Exhibition of Food & Drink, Hotel, Restaurant & Food Service Equipment, Supplies & Services (expected attendance: over 30 000), and the World Congress of Nephrology 2013 (expected attendance: over 6 000). The MEHK will actively collaborate with the organizers to roll out market promotion in order to drive attendance of the events. The HKTb expects a 3.5% year-on-year increase in overnight MICE arrivals in 2013.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)052**

Question Serial No.

1308

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 tourism industry and other industries intertwine closely. Referring to the Chief Executive's Policy Address that we must deepen and expand our industries, apart from co-ordinating work on policy and project initiatives to facilitate tourism development, will the Administration consider developing the new strengths of Hong Kong tourism in support of the development of industries in Hong Kong? For example, could we follow the practice of Dongdaemun in South Korea to package and develop our fashion wholesale markets as new attractions so as to attract more visitors to Hong Kong for shopping? What are the details of such plans and concepts, if any? How much expenditure will be allocated for implementation?

Asked by: Hon. CHUNG Kwok-pan

Reply:

The Hong Kong Tourism Board (HKTB) has been actively promoting the trend-setting edge of Hong Kong to visitors through various channels. In underlining the strength of Hong Kong as a shoppers' paradise, the HKTB publicises not only major shopping malls and department stores, but also outdoor markets and themed shopping streets including the "Fashion Street" in Cheung Sha Wan Road, along which a large number of shops engaging in clothing wholesale and retail businesses are located. Depending on the development of these clothing wholesale markets, the HKTB will explore the possibility of re-packing them for tourism promotion.

The HKTB will carry out the above promotion work with existing resources. No additional expenses will be incurred.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)053**

Question Serial No.

1310

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

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:

One of the matters of the Hong Kong Tourism Board requiring special attention in 2013-14 is to promote Hong Kong as a leading cruise hub in the region. Please inform this Committee of the details of the related work and the estimated expenditure involved.

Asked by: Hon. CHUNG Kwok-pan

Reply:

In 2013-14, the major initiatives of the Hong Kong Tourism Board (HKTB) in the promotion of cruise tourism include:

- (a) Strengthening Hong Kong's image as Asia's Cruise Hub
  - (i) Widely promote Hong Kong's advantages in cruise tourism to the trade and media through major regional and international industry fairs and events.
  - (ii) To tie in with the opening of the Kai Tak Cruise Terminal, the HKTB will invite overseas media to cover the relevant news during the opening period and in the second half of the year.
- (b) Encouraging cruise companies to include Hong Kong in their itineraries and stimulate consumer demand for cruise travel
  - (i) Encourage cruise companies to increase the number of ship calls to Hong Kong and to choose Hong Kong as homeport through the co-op marketing fund.



- (ii) Stimulating consumer interest in cruise travel in the Mainland, especially South China, by organising consumer promotion activities and through advertising, public relation initiatives and digital marketing. In addition, there is also a plan to set up designated teams in major Mainland cities, including Guangzhou and Shanghai, to support the development and promotion of cruise tourism business in the Mainland.
- (iii) Roll out promotion activities in such markets as the US and Australia to raise consumer interest in fly-cruise travel to Hong Kong. Furthermore, the HKTB will pilot a scheme to attract corporations and organisations in Mainland China and India to organise charter sailings as incentive programmes, combining Meetings, Incentive Travels, Conventions and Exhibitions (MICE) and cruise travel.

(c) Enhancing onshore experience of cruise passengers

Through the “New Tour Product Development Scheme”, the HKTB will encourage the trade to develop new and innovative shore excursion programmes.

(d) Supporting co-operation between Hong Kong and neighbouring ports

The HKTB will continue to support the Government in strengthening co-operation with other ports in the region to develop regional cruise itineraries and diversified cruise travel products.

The HKTB’s estimated budget for promoting cruise tourism in 2013-14 is about HK\$15.6 million.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)054**

Question Serial No.

0429

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:

Will the next Supplement to CEPA to be signed between Hong Kong and the Mainland include arrangements to help local cultural industries gain access to the Mainland market, thus facilitating the staging of performances and exhibitions in the Mainland by local arts community or performance groups?

Asked by: Hon. CHUNG Shu-kun, Christopher

Reply:

Inclusive of the measures in Supplement IX to CEPA, a total of 338 liberalisation measures have been announced in 48 service sectors under CEPA, among which, the cultural services sector has been liberalised to a certain extent. For instance, under Supplement IV to CEPA, Hong Kong services suppliers are allowed to set up wholly-owned performing arts agencies in the Mainland; and performing arts agencies or performing arts groups are allowed to organise commercial performances in the form of cross-border supply in the Guangdong Province and the Shanghai Municipality on a pilot basis upon approval. As in the past, the Government of the Hong Kong Special Administrative Region will, taking into account the needs of the trade, continue to liaise closely with the Mainland and actively explore the possibilities of pursuing more liberalisation beneficial to their long-term development.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)055**

Question Serial No.

2348

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

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:

According to the estimates of the Budget this year, the Government has earmarked \$563 million or so for the subvention of the Hong Kong Tourism Board (HKTB). This Committee has the following questions for the Government's reply:

1. In the estimates, what are the organisation structure and distribution of human resources of HKTB?
2. In the estimates, what are the total amount and proportion of salary or gratuity for each level of the staff of HKTB?
3. In the estimates, how much expenses were incurred by HKTB for promoting Hong Kong tourism globally over the past three years (2010-11, 2011-12, 2012-13) by region? Please reply according to the table below:

Region/Year	2010-11	2011-12	2012-13
Mainland China			
Taiwan			
Japan and Korea			
Russia			
Middle East			
Eastern Europe			
Western Europe			
Africa			
Oceania			
Southeast Asia			
South America			
North America			
Others			

Asked by: Hon. FAN Kwok-wai, Gary

Reply:

- (1)-(2) In 2013-14, the total headcount of the Hong Kong Tourism Board (HKTB) is 362, including 234 at the HKTB's head office and 128 at its worldwide offices. The estimated total salaries and gratuities are about \$176 million. The headcount and payroll by band is listed below:

<b>Band</b>	<b>Headcount</b>	<b>Headcount of This Band As a Percentage of Total Headcount</b>	<b>Payroll of This Band As a Percentage of Total Payroll</b>
A	14	3.87%	16%
B	106	29.28%	41%
C	175	48.34%	34%
D	67	18.51%	9%

- (3) To maintain a diverse visitor portfolio and uphold Hong Kong's image as the Asia's World City and a premier travel destination, the HKTB will continue to invest in 20 visitor source markets in 2013-14, including 15 key markets and five new markets. The breakdown of the HKTB's marketing expenditure by region in the past three years is as below:

<b>Region/Year</b>	<b>2010-11 Actual Expenditure (HK\$ million)</b>	<b>2011-12 Actual Expenditure (HK\$ million)</b>	<b>2012-13 Revised Estimate (HK\$ million)</b>
Mainland China	58.9	53.2	53.7
Taiwan	19.4	11.6	13.2
Japan and Korea	22.8	24.0	24.3
Russia	6.7	4.0	8.0
The Middle East	2.0	2.6	4.3
Eastern Europe	N/A	N/A	N/A
Western Europe*	13.4	20.6	15.7
Africa	N/A	N/A	N/A
Oceania	10.1	9.6	10.5
South and Southeast Asia	21.1	21.9	30.0
Central and South Americas	0.4	0.2	0.1

<b>Region/Year</b>	<b>2010-11 Actual Expenditure (HK\$ million)</b>	<b>2011-12 Actual Expenditure (HK\$ million)</b>	<b>2012-13 Revised Estimate (HK\$ million)</b>
North America	19.4	21.5	20.0
Others	2.7	6.3	N/A
<b>Total#</b>	<b>176.9</b>	<b>175.4</b>	<b>179.8</b>

\*Including the UK, France, Germany, Italy and the Netherlands

#Due to rounding, the total may differ from the sum of individual figures.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)056**

Question Serial No.

2963

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:

How much has the Administration spent on researching the visitor carrying capacity of Hong Kong over the past three years (i.e. 2010-11, 2011-12 and 2012-13)? What is the estimated budget for the research this year (i.e. 2013-14)? When will the results be published?

Asked by: Hon. FAN Kwok-wai, Gary

Reply:

The Government commenced an assessment on the overall capacity of Hong Kong to receive tourists in 2012-13. The areas taken into account include the handling capacity of boundary control points, receiving capacity of tourist attractions and the public transport system, supply of hotel rooms, economic effects of the Individual Visit Scheme, and its impact on the livelihood of the community, etc. The assessment is still in progress. The expenditure on such work has been subsumed into the provision for 2013-14 for the Commerce, Industry and Tourism Branch. It is difficult to quantify such expenditure separately.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)057**

Question Serial No.

2964

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:

Regarding the provision of secretariat services and relevant support to the new Economic Development Commission established by the Bureau, please advise:

- (a) When will the provision of secretariat services and relevant support start?
- (b) What is the expenditure for providing the secretariat services and relevant support this year (i.e. 2013-14)?
- (c) What is the staffing provision for supporting the services? And what is the breakdown of the staffing provision by administrative grade, executive grade and clerical grade respectively?

Asked by: Hon. FAN Kwok-wai, Gary

Reply:

Secretariat support for the Economic Development Commission (EDC) and two of its Working Groups (namely the Working Group on Convention and Exhibition Industries and Tourism and the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries) is provided by the Commerce and Economic Development Bureau. The relevant work will be handled by existing manpower and an additional Senior Administrative Officer (involving an additional expenditure of about \$1.13 million). The expenses of the EDC's operation in the first year will depend on the discussions of the EDC on the necessary work or plans (e.g. researches) that it needs to conduct. The expenditure involved will be absorbed by this Bureau's existing

resources and cannot be assessed at this stage. Secretariat support for the EDC's other two Working Groups (namely the Working Group on Transportation and the Working Group on Professional Services) is provided by the Transport and Housing Bureau and the Development Bureau respectively.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013



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

**CEDB(CIT)058**

Question Serial No.

2965

Head: 152 Government Secretariat: Commerce and Subhead (No. & title):  
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 Bureau explains that the increase of expenditure for the Director of Bureau's Office this year is due to the provision required for filling the positions of Under Secretary for Commerce and Economic Development and Political Assistant. Please advise:

- a. What is the recruitment timetable? When will the Under Secretary and the Political Assistant take office?
- b. Does the Bureau plan to appoint more than 1 Political Assistant? If so, how many positions of Political Assistant will be created?
- c. How many people applied for the positions of Under Secretary and Political Assistant respectively?

Asked by: Hon. FAN Kwok-wai, Gary

Reply:

- a. & c. The Political Assistant has assumed duty in 20 March 2013, whereas the position of Under Secretary will be filled when a suitable candidate is identified.
- b. For the provision in 2013-14, the Bureau will employ one Political Assistant.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)059**

Question Serial No.

2967

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

Programme:

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What were the expenses on duty visits in the name of the Commerce and Economic Development Bureau in the past 5 years, i.e. 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13? Please list the figures in the table below:

<b>Date of duty visit</b>	<b>Purpose of the duty visit</b>	<b>Number of accompanying officer(s)</b>	<b>Name of hotel and charges</b>	<b>Flight ticket class and fare</b>	<b>Total expenses</b>

Asked by: Hon. FAN Kwok-wai, Gary

Reply:

From 2008-09 to 2012-13, the expenditures on duty visits of this branch are tabulated as follow:

Date of duty visit	Purpose of the duty visit	Number of accompanying officer(s)	Name of hotel and charges (\$ million) (A)	Flight ticket class and fare (\$ million) (B)	Total expenses (\$ million) (A)+(B)
2008-09 :					
49 duty visits	<p>Some of the main purposes of the duty visits:</p> <ul style="list-style-type: none"> <li>● Attending the Structured Dialogue Meeting with the European Commission in Brussels</li> <li>● Participating in a Competition Conference and meeting experts on competition in Australia</li> <li>● Attending the meeting of Trademark Working Coordination Group in Beijing</li> <li>● Meeting with the Bordeaux Chamber of Commerce and Industry, etc to discuss the signing of a MOU on co-operation in wine related businesses</li> <li>● Calling on CEDB's counterpart ministers and commissions in Beijing</li> <li>● Promoting Hong Kong as a preferred MICE destination for the Indian Market</li> <li>● Courtesy call to Chairman and Deputy Chairman of China National Tourism Administration (CNTA)</li> </ul>	106 (1-7 each duty visit)	0.352  (The hotels chosen for accommodation were based on the requirement of the itineraries and operational needs.)	2.325  (The classes of flight tickets were based on the ranks of the officers and the flight length, and approved in accordance with the stipulated procedures and regulations.)	2.677

Date of duty visit	Purpose of the duty visit	Number of accompanying officer(s)	Name of hotel and charges (\$ million) (A)	Flight ticket class and fare (\$ million) (B)	Total expenses (\$ million) (A)+(B)
2009-10 :					
52 duty visits	<p>Some of the main purposes of the duty visits:</p> <ul style="list-style-type: none"> <li>● Attending the Guangdong-HK Experts' Group Meeting on Intellectual Property</li> <li>● Meeting in Beijing with the General Administration of Quality Supervision, Inspection and Quarantine to discuss facilitation of wine re-exports to the Mainland through Hong Kong</li> <li>● Attending the 5th meeting of Committee on Commerce and Trade and to meet with General Administration of Customs and other officials in Beijing</li> <li>● Attending APEC Cruise Forum</li> <li>● Participating in the 5th Pan-Pearl River Forum and its tourism sub-forum</li> <li>● Attending United Nations World Tourism Organisation 18th General Assembly, Hong Kong Fair, and to visit tourism infrastructure and MICE venue</li> </ul>	114 (1-11 each duty visit)	0.335  (The hotels chosen for accommodation were based on the requirement of the itineraries and operational needs.)	1.630  (The classes of flight tickets were based on the ranks of the officers and the flight length, and approved in accordance with the stipulated procedures and regulations.)	1.965

Date of duty visit	Purpose of the duty visit	Number of accompanying officer(s)	Name of hotel and charges (\$ million) (A)	Flight ticket class and fare (\$ million) (B)	Total expenses (\$ million) (A)+(B)
2010-11 :					
41 duty visits	<p>Some of the main purposes of the duty visits:</p> <ul style="list-style-type: none"> <li>● Attending a conference and meeting overseas officials in India</li> <li>● Meeting in Beijing with Mainland Customs to discuss matters on “Hong Kong Facilitation Scheme for Cross-Strait Transshipment Cargoes”</li> <li>● Joining a delegation led by CMAB for a visit to Taiwan</li> <li>● Attending the 36th APEC Tourism Working Group Meeting</li> <li>● Attending meeting with CNTA</li> <li>● Visiting Port Metro Vancouver, Port Everglades and Port of Miami, and meet with cruise operators and terminal operators</li> </ul>	87 (1-9 each duty visit)	0.235  (The hotels chosen for accommodation were based on the requirement of the itineraries and operational needs.)	1.518  (The classes of flight tickets were based on the ranks of the officers and the flight length, and approved in accordance with the stipulated procedures and regulations.)	1.753

Date of duty visit	Purpose of the duty visit	Number of accompanying officer(s)	Name of hotel and charges (\$ million) (A)	Flight ticket class and fare (\$ million) (B)	Total expenses (\$ million) (A)+(B)
2011-12 :					
31 duty visits	<p>Some of the main purposes of the duty visits:</p> <ul style="list-style-type: none"> <li>● Participating in the Financial Action Task Force Meeting in France</li> <li>● Exchange with Intellectual Property Office of Singapore</li> <li>● Exploring further economic cooperation between Hong Kong and Taiwan</li> <li>● Attending the opening ceremony of Hong Kong Tourism Board's Taiwan office cum "Hong Kong Wine and Dine Month" promotion</li> <li>● Attending the 39th APEC Tourism Working Group Meeting</li> </ul>	57 (1-4 each duty visit)	0.139  (The hotels chosen for accommodation were based on the requirement of the itineraries and operational needs.)	1.348  (The classes of flight tickets were based on the ranks of the officers and the flight length, and approved in accordance with the stipulated procedures and regulations.)	1.487

Date of duty visit	Purpose of the duty visit	Number of accompanying officer(s)	Name of hotel and charges (\$ million) (A)	Flight ticket class and fare (\$ million) (B)	Total expenses (\$ million) (A)+(B)
2012-13 :					
29 duty visits	Some of the main purposes of the duty visits: <ul style="list-style-type: none"> <li>● Participating in a Competition Workshop in Korea</li> <li>● Exchange with the State Intellectual Property Office</li> <li>● Promoting Hong Kong's wine-related business and advantages in "Hong Kong Week" in Burgundy, France</li> <li>● Attending 2012 Ningbo-Hong Kong Economic Cooperation Forum and the Bay Economy Development Forum cum Sanmen Bay Area Information Session</li> <li>● Attending the 40th APEC Tourism Working Group Meeting</li> </ul>	58 (1-5 each duty visit)	0.146  (The hotels chosen for accommodation were based on the requirement of the itineraries and operational needs.)	1.185  (The classes of flight tickets were based on the ranks of the officers and the flight length, and approved in accordance with the stipulated procedures and regulations.)	1.331

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)060**

Question Serial No.

4957

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:

In 2012, there were over 48 million visitors to Hong Kong. Please provide the number of mainland and overseas visitors, their average spending, and the average number of days they stay in Hong Kong in the table below.

	Mainland visitors	Overseas visitors
Number in 2010		
Number in 2011		
Number in 2012		
Average spending per visitor in 2010		
Average spending per visitor in 2011		
Average spending per visitor in 2012		

Asked by: Hon. FAN Kwok-wai, Gary

Reply:

According to the information collected by the Hong Kong Tourism Board, the respective number of visitor arrivals, average per capita spending and average length of stay of Mainland and non-Mainland visitors in 2010-2012 are as follows –



	Mainland visitors			Non-Mainland visitors*		
	2010	2011	2012	2010	2011	2012
Visitor arrivals (million)	22.68	28.10	34.91	13.35	13.82	13.70
Average per capita spending among overnight visitors (\$)	7,453	8,220	8,525 (provisional figure)	5,722	6,299	6,599 (provisional figure)
Average length of stay among overnight visitors (night)	3.9	3.9	3.7	3.2	3.3	3.3

(\*Remark: including Macao visitors)

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)061**

Question Serial No.

4966

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:

Following the Financial Secretary's proposal to extend the operation of the Mega Events Fund, is there any plan to inject more funds into it?

Will there be any guidelines on the allocation of tickets for the events sponsored by the Fund, such as stipulating a minimum proportion of tickets to be made available for sale to the public in Hong Kong?

Asked by: Hon. FAN Kwok-wai, Gary

Reply:

We sought approval from the Finance Committee of the Legislative Council (LegCo) last year to allocate \$150 million for extending the operation of the Mega Events Fund (MEF) for 5 years and to modify the MEF into a two-tier system, which enabled the Fund to support international acclaimed mega events to come to Hong Kong on the one hand, and improved the original mechanism for applications by local non-profit-making organisations on the other. On the tier-one scheme, we have commissioned an independent consultant to recommend international mega events that are suitable to be held in Hong Kong. The study is making good progress. As regards tier-two, we have completed assessment of the first round of applications and are processing the second round applications. We shall continue to support large-scale arts, cultural, sports and entertainment events in Hong Kong organised by local non-profit-making organisations. The number of events receiving the MEF's funding support, as well as their respective nature and funding amount, etc. will depend on the number of applications received and how many of them can successfully pass the assessment.

Due to the difference in size, nature and budget of each event, we consider that it is not suitable to set down a broad rule on the proportion of tickets that should be made available for local sale for all events. In fact, we have been requiring the organisers of mega events to open the events to the public, and over half of the MEF supported events (including the Hong Kong Dragon Boat Carnival, the Dragon and Lion Dance Extravaganza and the Hong Kong Well-wishing Festival) are indeed free events. Nevertheless, the MEF Assessment Committee (AC) will, having regard to the circumstances of individual projects, consider whether there is the need to impose additional requirements, and to specify and adjust upward the number of tickets required to be made available for public sale in respect of certain types of events in future. The funding agreement between the government and the organisers set out the obligations of the parties, as well as the detailed funding terms and conditions and control provisions. The AC and the MEF Secretariat will monitor the process of the organisation of the events to ensure that they are in line with the aim of the MEF, as well as other related requirements.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)062**

Question Serial No.

2827

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

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:

- (1) The estimated expenditure for this Programme in 2013–14 is \$93.3 million, representing a drastic increase of 501.9% over the revised expenditure for 2012–13. As noted on Page 323, it was mainly due to the provision for the establishment and operation of the Competition Commission and the creation of one post. What is the breakdown of the expenditure? What will be the duties of the new post? What is the progress of the preparatory work on the establishment of the Competition Commission and the Competition Tribunal? When will they come into operation?
- (2) What is the progress of the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 mentioned in paragraph 15? How will the Bureau keep in view the enforcement of the ordinance in 2013-14?
- (3) Under “Matters Requiring Special Attention in 2013-14”, it is mentioned that the Bureau will continue to ensure the smooth operation of the Post Office Trading Fund (the Fund) and take measures to improve customer service and productivity where appropriate. According to the Fund, the Post Office has repaid the loan. How does the Fund operate at present? Given the rapid development of the speedpost service and internet in recent years, is government subsidy required to maintain the operation of Post Office? Is there any plan to increase or reduce the number of post offices in 2013-14? Is there any pressure to raise the postal rates?

Asked by: Hon. FANG Kang, Vincent

Reply:

- (1) In 2013-14, we have earmarked \$82 million under Programme (4) for the establishment and operation of the Competition Commission (the Commission). It caters for the recruitment and employment of the Commission's staff, the preparation and leasing of the Commission's office accommodation as well as research and promotional work of the Commission. The preparatory work for the establishment of the Commission is carried out through the staff establishment under Head 152. A time-limited post of Senior Treasury Accountant post will be created in 2013-14 to advise the Commission on matters pertaining to the setting up of its financial management and accounting control systems and other relevant financial, accounting and procurement matters. The provision for this post is \$1.1 million.

We will implement the Ordinance in phases so that the public and the business sector can familiarise themselves with the new legal requirements during the transitional period and make necessary adjustments. The immediate work is to establish the Commission and the Competition Tribunal (the Tribunal). In this regard, the Legislative Council has passed the Competition Ordinance (Commencement) Notice 2012. Provisions relating to the Commission commenced on 18 January 2013 and those relating to the Tribunal will commence on 1 August 2013. Once established, the Commission will conduct publicity campaigns and public education activities, and prepare the guidelines related to the enforcement of the Ordinance. At the same time, the Judiciary will prepare subsidiary legislation relating to the Tribunal proceedings and make other necessary arrangements to prepare for the full operation of the Tribunal. The preparatory work is expected to take at least one year to complete.

- (2) The Legislative Council passed the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 ("Amendment Ordinance") on 17 July 2012. The Customs and Excise Department and the Communications Authority as the enforcement agencies consulted the stakeholders and the general public on the draft enforcement guidelines for the Amendment Ordinance from 7 December 2012 to 17 March 2013. The enforcement agencies are examining the views received during the consultation and will revise the enforcement guidelines as appropriate. Besides, this Bureau is coordinating the education and publicity programmes with a view to enhancing the understanding of traders and consumers of the Amendment Ordinance.

This Bureau plans to bring the Amendment Ordinance into operation within 2013, and will in coordination with the enforcement agencies review the effectiveness of the Amendment Ordinance in combating unfair trade practices in consumer transactions from time to time in the light of consumers' complaints and enforcement experience.

- (3) Since 1995, HongKong Post (HKP) has been operating as a trading fund, which is an independent entity in terms of finance and accounting. It has been operating on a self-financing basis without any financial subsidy from the Government. HKP has put in active efforts to control costs and develop new businesses with a view to providing high quality, efficient and reliable postal services to the public at reasonable prices through optimal

utilisation of its resources. HKP regularly reviews its operation based on the above operating principles, including the need to adjust the number of post offices and postage rates, taking into account all relevant factors such as HKP's financial position, the prevailing economic condition, business environment and public affordability, etc..

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)063**

Question Serial No.

3800

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:

It is stated in paragraph 86 of the Budget Speech that “to facilitate its healthy growth in the long term, I shall set up a task force on labour development in the retail industry. Led by the Commerce and Economic Development Bureau, the task force will pool the efforts of the Government, the industry and relevant organisations. It will study the economic outlook of the industry and its labour demand and supply. The task force will complete its work within this year and put forward appropriate and concrete recommendations”. Would the Administration inform this Committee of the details of the task force on labour development in the retail industry, such as its scope of work and composition? What is the difference between the studies to be conducted by the task force and other studies on and assessments of manpower requirement carried out by the Administration in the past? What are the estimated expenditure and manpower involved?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

The Task Force on Manpower Development of the Retail Industry is appointed by the Financial Secretary. Members are drawn from a wide range of background and interests, including persons connected with different sectors within the industry, representatives of relevant Government Bureaux and Vocational Training Council, as well as academics and individuals from outside the industry, with Professor Andrew Chan Chi-fai of the Chinese University of Hong Kong as the Chairperson. The terms of reference of the Task Force are to study the business outlook, review the manpower needs of the retail sector, and to advise the Government on matters relating to the overall manpower development of the industry in order to sustain its long term growth. The Task Force will complete its work within 2013 and put forward appropriate and concrete recommendations to the Government.

The Government will support the work of the Task Force through re-deployment of existing resources. The related expenditure will be subsumed under the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013



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

**CEDB(CIT)064**

Question Serial No.

1138

Head: 152 Government Secretariat: Commerce  
and Economic Development Bureau  
(Commerce, Industry and Tourism Branch)

Subhead (No. & title): 000 Operating  
Expenses

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 the records management work over the past three years (up to 2012):

- (a) Please provide information on the number and rank of officers designated to perform such work. If there is no officer designated for such work, please provide information on the number of officers and the hours of work involved in records management duties, and the other duties they have to undertake in addition to records management;
- (b) Please list in the table below information on programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal:

Category of records	Years covered by the records	Number and linear meters of records	Retention period approved by GRS	Are they confidential documents

- (c) Please list in the table below information on programme and administrative records which have been transferred to GRS for retention:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

- (d) Please list in the table below information on records which have been approved for destruction by GRS:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

Asked by: Hon. HO Sau-lan, Cyd

Reply:

- (a) The Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau has already appointed a Chief Executive Officer to take up the role of Departmental Records Manager. He is assisted by three Assistant Departmental Records Managers and 27 Records Managers (at least one from each Division/Section) to help implement and monitor record management matters. Since these officers have to take care of duties other than records management work and the time and percentage share in such duties vary over different periods of time, it is difficult to quantify the hours of work involved accurately.
- (b) Information on programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal in the past three years (i.e. 2010 to 2012):

Category of records	Years covered by the records	Number and linear meters (lm) of records	Retention period approved by GRS	Are they confidential documents
Administrative	1961 to 2006	264 files / 12.19 lm	According to General Administrative Records Disposal Schedules (GARDS)	No
	1960 to 2006	121 files / 5.45 lm		Yes
Programme	1982 to 2011	611 files / 30.55 lm	Pending approval by GRS	No
	1946 to 2011	369 files / 27.2 lm		Yes

- (c) Information on programme and administrative records which have been transferred to GRS for retention in the past three years (i.e. 2010 to 2012):

Category of records	Years covered by the records	Number and linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
Administrative	Nil	Nil	Nil	Nil	Nil
Programme	1999 to 2006	689 files / 30.33 lm	2012	5 years	No

- (d) Information on records which have been approved for destruction by GRS in the past three years (i.e. 2010 to 2012):

Category of records	Years covered by the records	Number and linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
Administrative	1963 to 2009	2 577 files / 108.35 lm	2010-2013	According to GARDS	No
	1963 to 2008	88 files / 3.98 lm	2011 to 2013		Yes
Programme	Nil	Nil	Nil	Nil	Nil

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)065**

Question Serial No.

1139

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

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:

Regarding the records management work of the Consumer Council over the past three years (to 2012):

- (a) Please provide information on the number and rank of officers designated to perform such work. If there is no officer designated for such work, please provide information on the number of officers and the hours of work involved in records management duties, and the other duties they have to undertake in addition to records management;
- (b) Please list in the table below information on programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal:

Category of records	Years covered by the records	Number and linear meters of records	Retention period approved by GRS	Are they confidential documents

- (c) Please list in the table below information on programme and administrative records which have been transferred to GRS for retention:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

(d) Please list in the table below information on records which have been approved for destruction by GRS:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

Asked by: Hon. HO Sau-lan, Cyd

Reply:

(a)

Four officers (one Clerical Officer I, one Clerical Officer II and two Clerical Assistants) of the Consumer Council are responsible for records management. As record management only forms part of these officers' daily duties, which cover human resources and facilities management, administrative and financial matters, and general support etc., it is not practicable to quantify the hours of their work involved in records management duties.

(b), (c) and (d)

The Government Records Service is only responsible for managing Government records. The questions therefore are not applicable to the Consumer Council.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)066**

Question Serial No.

3690

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

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 the 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.

(a) Using the table below, please provide information on studies on public policy and strategic public policy for which funds had been allocated in the past 2 financial years (2011-2012 and 2012-13):

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

(b) Are there any projects for which funds have been reserved for conducting consultancy studies this year (2013-2014)? If yes, please provide the following information:

Name of consultant	Mode of award (open auction/ tender/others (please specify))	Title, content and objective of project	Consultancy fee(\$)	Start date	Progress of studies (under planning/ in progress/ completed)	Follow-up actions taken by the Administration on the study report and their progress (if any)	For projects that are expected to be completed this year, is there any plan to make them public? If yes, through what channels? If no, why?

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

Asked by: Hon. HO Sau-lan, Cyd

Reply:

(a) The studies on public policy and strategic public policy conducted during the period from 2011-12 to 2012-13 are listed below:

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)	Follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been made public? If so, through what channels? If not, why?
King & Wood, Gilbert + Tobin	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</p> <p>(continuing the consultancy study in 2010-11)</p>	234,400	June 2007	In progress	The professional advice and research of the consultant supported the Government in working with the Legislative Council Bills Committee on Competition Bill in the scrutiny of the Bill.	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 so, through what channels? If not, why?
M&L Associates Ltd.	Tender	<p>Consultancy on Technical Measures Against Copyright Piracy in the Digital Environment</p> <p>To study and assess the effectiveness of technical measures that are being used or tried out overseas for curtailing copyright piracy in the digital environment, and identify the key considerations if these measures were to be introduced in Hong Kong</p>	219,000	March 2012	In progress	Not applicable	Not applicable
Scott Wilson Ltd.	Tender	Business viability study for the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market	480,600	December 2011	In progress	The Government will make reference to the results of the consultancy study when considering the viability of developing dining and tourist facilities at/near the Aberdeen Wholesale Fish Market.	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 so, through what channels? If not, why?
Arthur D. Little Asia Pacific Ltd.	Tender	Consultancy study on the future demand and supply of Hong Kong's exhibition facilities (2012)	800,000	February 2012	Completed	The Government will make reference to the result of the consultancy study when considering the long term requirements of exhibition facilities in Hong Kong.	The result of the consultancy study is for Government's internal reference.
King & Wood, Gilbert + Tobin  (King & Wood has merged with another law firm to form the 'King & Wood Mallesons' (金杜律師事務所) since 1.3.2012.)	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 2011-12)	3,356,100	June 2007	Completed	With the professional advice and research support of the consultant, the Government has completed the relevant legislative work relating to the Competition Ordinance. The Ordinance was enacted by the Legislative Council in June 2012.	The advice from the consultant is for Government's internal consideration.

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 so, through what channels? If not, why?
M&L Associates Ltd.	Tender	<p>Consultancy on Technical Measures Against Copyright Piracy in the Digital Environment</p> <p>To study and assess the effectiveness of technical measures that are being used or tried out overseas for curtailing copyright piracy in the digital environment, and identify the key considerations if these measures were to be introduced in Hong Kong</p> <p>(continuing the consultancy study in 2011-12)</p>	511,000	March 2012	In progress	Not applicable	Not applicable
Scott Wilson Ltd.	Tender	<p>Business viability study for the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market</p> <p>(continuing the consultancy study in 2011-12)</p>	480,600	December 2011	In progress	The Government will make reference to the results of the consultancy study when considering the viability of developing dining and tourist facilities at/near the Aberdeen Wholesale Fish Market.	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 so, through what channels? If not, why?
KPMG Corporate Finance Limited	Tender	<p>Appointment of financial consultant for assessment of proposals and related matters in connection with the Tai Shue Wan redevelopment at Ocean Park</p> <p>To provide consultancy services advising on financial, business, economic, financing arrangement and other relevant aspects for the Tai Shue Wan redevelopment at the Ocean Park</p>	590,200	July 2012	In progress	The Government will make reference to the results of the consultancy study when examining the Tai Shue Wan redevelopment.	Not applicable
Scott Wilson Ltd.	Tender	Consultancy study to identify suitable international mega events to be introduced into Hong Kong under the Mega Events Fund's Tier-1 system	193,800	September 2012	In progress	The recommendations from the consultant are for reference by the Mega Events Fund Assessment Committee and Government.	Not applicable

(b) Provision has been allocated for conducting the following consultancy studies in 2013-14:

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 2013-14, is there any plan to make them public? If so, through what channels? If not, why?
M&L Associates Ltd.	Tender	<p>Consultancy on Technical Measures Against Copyright Piracy in the Digital Environment</p> <p>To study and assess the effectiveness of technical measures that are being used or tried out overseas for curtailing copyright piracy in the digital environment, and identify the key considerations if these measures were to be introduced in Hong Kong</p> <p>(continuing the consultancy study in 2012-13)</p>	670,000	March 2012	In progress	The advice from the consultant is for Government's internal consideration.
Scott Wilson Ltd.	Tender	<p>Business viability study for the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market</p> <p>(continuing the consultancy study in 2012-13)</p>	106,800	December 2011	In progress	The advice from the consultant is for Government's internal consideration.
KPMG Corporate Finance Limited	Tender	<p>Appointment of financial consultant for assessment of proposals and related matters in connection with the Tai Shue Wan redevelopment at Ocean Park</p> <p>To provide consultancy services advising on financial, business, economic, financing arrangement and other relevant aspects for the Tai Shue Wan redevelopment at the Ocean Park</p> <p>(continuing the consultancy study in 2012-13)</p>	215,700	July 2012	In progress	The advice from the consultant is for Government's internal consideration.

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 2013-14, is there any plan to make them public? If so, through what channels? If not, why?
Scott Wilson Ltd.	Tender	Consultancy study to identify suitable international mega events to be introduced into Hong Kong under the Mega Events Fund's Tier-1 system  (continuing the consultancy study in 2012-13)	323,000	September 2012	In progress	The recommendations from the consultant are for reference by the Mega Events Fund Assessment Committee and the Government.

(c) The criteria in considering the award of the consultancy contracts include the tender price, the service quality, qualification, relevant experience, reputation and expertise of the consultants, as well as the proposed methodology and work plan, and cost-effectiveness of the proposals, etc.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)067**

Question Serial No.

3702

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

Programme: Not Specified

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 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) has been involved.

(a) For Hong Kong/Mainland cross-boundary projects or programmes, please provide information over the past 2 years (for 2011-12 and 2012-13) as per following table:

Project / Programme	Details, objective and whether it is related to the expenditure involved in the Framework Agreement on Hong Kong /Guangdong Co-operation (the Framework Agreement)	Mainland department/ organisation involved	Progress (% completed, commencement date, target completion date)	Have the details, objectives, amount involved or impact on the public, society, culture and ecology been released to the public? If so, through which channels and what were the manpower and expenditure involved? If not, what are the reasons?	Details of the legislative amendments or policy changes involved in the project/ programme

(b) For Hong Kong/Mainland cross-boundary projects or programmes of this year (2013-14), please provide information as per following table:

Project / Programme	Details, objective and whether it is related to the expenditure involved in the Framework Agreement	Mainland department/ organisation involved	Progress (% completed, commencement date, target completion date)	Will the details, objectives, amount involved or impact on the public, society, culture and ecology be released to the public? If so, through which channels and what will be the manpower and expenditure involved? If not, what are the reasons	Details of the legislative amendments or policy changes involved in the project/ programme

(c) Apart from the projects or programmes listed above, are there any other modes of Hong Kong/Mainland cross-boundary cooperation? If so, what are they? What were the manpower and expenditure involved over the past 3 years (from 2010-11 to 2012-13)? How much financial and manpower resources have been earmarked in this year's Estimates?

Asked by: Hon. HO Sau-lan, Cyd

Reply:

To foster our trade 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 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 nine 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 48 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 Panel paper no. CB(1)2295/11-12(01) "The Mainland and Hong Kong Closer Economic Partnership Arrangement" issued in June 2012.
To assist Hong Kong enterprises in upgrading and restructuring	<p>The work under this area includes the following –</p> <ul style="list-style-type: none"> <li>- maintaining close dialogue with the trade through the Task Force to Support the Processing Trade and other channels, so as to understand the trade's 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 relay to them the trade's views and to discuss with them measures to support the trade;</li> <li>- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities such as symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade's understanding of the Mainland's new policies, regulations and business environment. TID's website includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the</li> </ul>	The LegCo Panel paper no. CB(1)2153/11-12(07) "Trade relations between the Mainland and Hong Kong" issued in June 2012.



Scope of Work	Progress	Relevant Documents issued to the LegCo by the Administration
	<p>economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland;</p> <ul style="list-style-type: none"> <li>- organising promotional activities and trade fairs and organising delegations to visit the Mainland through the Hong Kong Trade Development Council (TDC), with a view to enhancing the trade's understanding of Mainland policies and market development;</li> <li>- providing Hong Kong enterprises with support services on technological upgrading, management improvement, branding and market development, etc., and Mainland market information through the TDC and the Hong Kong Productivity Council, etc.;</li> <li>- with regard to financial support, assisting small and medium enterprises (SMEs) through the on-going "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, business restructuring or relocation;</li> <li>- through the Dedicated Fund on Branding, Upgrading and Domestic Sales launched on 25 June 2012, providing funding support to individual enterprises and non-profit-making organisations, so as to assist enterprises in enhancing their competitiveness and facilitating their business development in the Mainland, and capturing the opportunities arising from the National 12th Five-year Plan;</li> <li>- setting up more Design Gallery shops by the TDC in Mainland cities other than Beijing and Guangzhou to offer platforms for Hong Kong enterprises,</li> </ul>	

Scope of Work	Progress	Relevant Documents issued to the LegCo by the Administration
	<p>especially SMEs, to showcase their products and to build up greater awareness of Hong Kong brands in the Mainland; and</p> <ul style="list-style-type: none"> <li>- arranging Mainland Offices to collaborate with trade associations and other organisations to organise “Hong Kong Week” promotional events in the Mainland in 2013, in order to promote Hong Kong products and services, with a view to assisting Hong Kong enterprises in building up their brand image and exploring the domestic market.</li> </ul>	
Investment Promotion	<p>As at end of 2012, Invest Hong Kong (InvestHK) has completed a total of 451 projects from the Mainland which is a priority market for the department. InvestHK will continue to proactively reach out to and assist the Mainland companies to set up or expand their business in Hong Kong through organising promotional seminars and exhibitions, conducting investment promotion visits and receiving incoming delegations from the Mainland, etc. It will also strengthen its efforts to promote the pivotal role of Hong Kong as a platform for Mainland companies to go global.</p> <p>In collaboration with Mainland provinces and cities, InvestHK has staged joint promotion seminars in overseas markets since 2002 to promote the combined advantages of doing business in Hong Kong and the Mainland, in particular the Pearl River Delta region. In 2013-14, InvestHK plans to organise five joint overseas promotion seminars. It will partner with Zhuhai in Florence (June), Zhaoqing in Taipei (September), Fujian Province in Russia (September), Guangzhou in Auckland (October) and the Guangdong Province in Berlin (November).</p>	The LegCo Panel paper no. CB(1)436/12-13(05) “Promotion of Inward Investment” issued in January 2013. (Note: including InvestHK’s work relating to the Mainland)

Scope of Work	Progress	Relevant Documents issued to the LegCo by the Administration
Tourism	<p>Hong Kong and the Mainland have all along maintained close contacts on tourism development at government and trade levels. The Tourism Commission has established regular exchange mechanisms with the 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 its partnership with the Mainland cities (especially those in the Pan-Pearl River Delta region) and Macao in promoting “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. At the same time, the HKTB has been co-operating with major Mainland online travel portals to set up online counters with country-wide coverage promoting “Quality and Honest Hong Kong Tour”.</p>	<p>LegCo Panel 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>LegCo Panel paper no. CB(1)565/12-13(03) “Hong Kong Tourism Board Work Plan for 2013-2014” issued in February 2013. (Note: including HKTB’s promotional efforts in the Mainland)</p>

The work to promote co-operation between the two places is on-going. The relevant manpower and expenditure have been subsumed within the establishment and provision of the Bureau and relevant departments and organisations. It is difficult to quantify them separately.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)068**

Question Serial No.

1489

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

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:

- (a) What is the reason for the difference of \$75.1 million between the revised and original estimate for 2012-13 financial year?
- (b) Among the \$93.3 million reserved for 2013-14, how much will be used for the implementation of the Competition Ordinance?
- (c) Does the Administration have a work plan and timetable for establishing the Competition Commission and Competition Tribunal?
- (d) What will be the staffing provision of the Competition Commission? What will be the size of its office? When will the Commission take over the work of the Competition Policy Advisory Group?

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

Reply:

- (a) Provision in the original estimate for Programme (4) in 2012-13 was earmarked mainly for the preparatory work relating to the Competition Commission (the Commission) should the Competition Bill be passed within 2012-13. Taking account of the enactment of the Competition Ordinance (the Ordinance) in June 2012 and the progress of preparatory work afterwards, the estimate for 2012-13 was revised downwards by \$75.1 million.

- (b) In 2013-14, we have earmarked \$82 million under Programme (4) for the establishment and operation of the Commission.
- (c) We will implement the Ordinance in phases so that the public and the business sector can familiarise themselves with the new legal requirements during the transitional period and make necessary adjustments. The immediate work is to establish the Commission and the Competition Tribunal (the Tribunal). In this regard, the Legislative Council has passed the Competition Ordinance (Commencement) Notice 2012. Provisions relating to the Commission commenced on 18 January 2013 and those relating to the Competition Tribunal will commence on 1 August 2013. Once established, the Commission will conduct publicity campaigns and public education activities, and prepare the guidelines related to the enforcement of the Ordinance. At the same time, the Judiciary will prepare subsidiary legislation relating to the Tribunal proceedings and make other necessary arrangements to prepare for the full operation of the Tribunal. The preparatory work is expected to take at least one year to complete.
- (d) Under the Ordinance, the Commission is an independent statutory body consisting of not less than 5 and not more than 16 members, including the Chairperson. Upon establishment, the Commission will determine the number of employees having regard to the actual implementation of the Ordinance and operational requirements.

When the Ordinance comes into full operation, the Commission will assume the investigation and enforcement roles in competition-related cases that fall under the purview of the Ordinance. The Competition Policy Advisory Group will continue to handle competition related complaints against statutory bodies exempted from the Ordinance.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)069**

Question Serial No.

1493

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

Programme:

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 Speech on the Appropriation Bill, the Government stated that “it will keep an eye on the development of new industries and proactively provide appropriate support for emerging industries”.

- (a) How and what criteria will be used to assess and determine whether an emerging industry has the potential for development?
- (b) Are the “emerging industries” mentioned only confined to the film industry, advertising industry, design and architecture industries and cultural and creative industries mentioned in paragraph 64?

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

Reply:

- (a) In considering whether an emerging industry has the potential for development, the Government will take into account a number of factors including: whether the economic area concerned can benefit Hong Kong's economy in the medium to long term, be built on the existing economic pillars and related industries, and filling or creating niche markets best served by Hong Kong given our competitive advantages; and whether the industry can develop sustainably in a free and open market without relying solely on government input on resources and continued support, etc. We will also assess the potential of the industry by its viability and readiness for development, and whether the development of the industry can capitalise on the opportunities for co-operation with the Mainland and the Pearl River Delta region, including those arising from the National Twelfth Five-Year Plan. We will also make reference to the findings of various studies conducted by the Government and non-government organisations, academic literature, statistical data, and the views of the public and the trade.

- (b) Apart from building on our traditional strengths, the Government also intends to give strong support for the development of emerging industries to further diversify our economy, so that Hong Kong can better respond to the world's ever-changing economic environment. “Emerging industries” are not only confined to the film industry, advertising industry, design and architecture industries and cultural and creative industries as mentioned in paragraph 64 of the Budget Speech. Indeed paragraphs 65 to 69 of the Budget Speech also mention other “emerging industries”, including realisation of research and development results, and art and cultural development, etc.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)070**

Question Serial No.

1502

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:

- (1) According to the assessment criteria for Tier-2 applications of the Mega Events Fund, funded events must have the ability to attract visitors to Hong Kong specifically for the events. The present statistics however merely show the number of visitors participated in the events. Will the Administration advise as to the availability of any mechanism to assess whether the visitors participated in the events came to Hong Kong “specifically” for the events?
- (2) Another criterion for Tier-2 applications of the Mega Events Fund is the number, nature and duration of jobs to be directly created. The Administration however only has the figures of jobs directly created by funded events. Will the Administration make public the nature and duration of jobs created by funded events held in the past?
- (3) Has the Mega Events Fund Assessment Committee ever taken any follow-up actions on those funded events which failed to meet the pre-determined performance indicators? If yes, what are the details? If no, what actions have been considered? Does the list of actions include the option of not releasing the fund?

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

Reply:

- (1) The Mega Events Fund (MEF) will typically request the organisers of funded events to collaborate with the Hong Kong Tourism Board (HKTB) to develop special tourist packages to attract visitors to Hong Kong for these events through partnership with the travel trade. In addition, the MEF will require the organisers to conduct survey to collect feedback from participants of the events, including whether they are visitors and the regions where they come from. As the nature of each event varies, we are unable to assess accurately whether the visitors involved in the events have made a special trip to Hong Kong for the events. However, through the effort of the organisers and the HKTB, a number of the MEF supported events could attract visitors to come to Hong Kong specifically for them, such as Hong Kong Dragon Boat Carnival, Hong Kong Open Championship (Golf), and Manchester United Asia



Tour 2013 (Hong Kong Leg). In addition, some of the events were designed to take place during the peak season of visitor arrivals, for example the Dragon and Lion Dance Extravaganza and the Hong Kong Well-wishing Festival. This helped enrich the overall events calendar of the period, which attracted visitors to come to or prolong their stay in Hong Kong.

- (2) The Mega Events Fund (MEF) was established in 2009, following the funding approval of the Finance Committee of the Legislative Council. Since its inception, eight rounds of applications have been invited and a total maximum sum of \$84.7 million has been granted to support 21 mega events. These 21 events are expected to create around 16 000 jobs. As for the nature of jobs created and the employment duration, it will depend on the nature and needs of individual events. Most of them are short-term jobs directly related to the events such as event planning, venue management and decoration, marketing and promotion, etc. which will provide support to the jobs market of Hong Kong. In the meantime, regular hosting of events will also create and preserve jobs for the tourism and related industries including hotel, airline, catering, security and cleaning services, etc.
- (3) The MEF Assessment Committee (AC) and the MEF Secretariat will monitor the process of the organisation of the events to ensure that they are in line with the aim of the MEF, as well as other related requirements. The AC and the Secretariat will observe the entire process of the events and collect feedback from the participants. The organisers will be required to submit the audited accounts, evaluation report and publicity report of completed events. These reports will be submitted to the AC and Controlling Officer of the MEF for consideration. If it is concluded that the relevant organisers had breached any funding terms and conditions as stated in the agreement; that their performance in organising the events were not satisfactory; or if the events failed to achieve the pre-determined deliverables / targets, sanctions such as withholding of outstanding funds or reducing the level of funding may be imposed. The relevant organisers may even be suspended from future MEF applications.

As at end of February 2013, 20 of the MEF supported events have been completed. All were completed by the deadline specified in the agreement. However, funding support for eight events was reduced due to unsatisfactory performance of the organisers in implementing the events and/or failure of the events to achieve the pre-determined deliverables/ targets in the agreement. The amount of deduction ranged from \$90 000 to \$1.11 million. Two organisers were also suspended from future MEF applications. The AC and the MEF Secretariat will continue to monitor strictly the implementation of funded events to ensure the proper use of public funds.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)071**

Question Serial No.

1503

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 Government decided last year to extend the operation of the Mega Events Fund (MEF) for 5 years and modify the MEF scheme into a two-tier system, that is, Tier 1 aims to attract internationally-acclaimed mega events to Hong Kong and Tier 2 is an enhanced version of the previous scheme. Regarding the operation of the MEF in the five-year period, will the Government advise the Committee of the following:

- (1) What are the annual estimates for Tier 1 and Tier 2 respectively?
- (2) What are the Government's justifications in determining the above estimates for Tier 1 and Tier 2?
- (3) The Government has indicated that an independent consultant will be engaged to identify a list of potential Tier 1 events. Is the funding for engaging the independent consultant separate from the expenditure of the MEF? If yes, what is the source of the funding? If not, what is the amount of MEF's expenditure set aside for the funding each year?
- (4) So far has the independent consultant worked out a list of potential Tier 1 events? If yes, please give the details in table form. If not, is there a timetable for the release of the list?

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

Reply:

- (1)&(2) We sought approval from the Finance Committee of the Legislative Council (LegCo) last year to allocate \$150 million for extending the operation of the Mega Events Fund (MEF) for 5 years and to modify the MEF into a two-tier system, which enabled the Fund to support international acclaimed mega events to come to Hong Kong on the one hand, and improved the original mechanism for applications by local non-profit-making organisations on the other. We have not laid down an annual budget ceiling for tier-one and tier-two schemes of the MEF respectively. On the tier-one scheme, we have commissioned an independent consultant to recommend international mega events that are suitable to be held in Hong Kong. The study is making good progress. As regards tier-two, we have completed assessment of the first round of applications and are processing the second round applications. We shall continue to support large-scale arts, cultural, sports and entertainment events in Hong Kong organised by local non-profit-making organisations. The number of events receiving the MEF's funding support, as well as their respective nature and funding amount, etc. will depend on the number of applications received and how many of them can successfully pass the assessment.
- (3) The funding for the engagement of an independent consultant to carry out the study of the MEF tier-one scheme comes from existing resources of the Commerce, Industry and Tourism Branch and does not come from the MEF.
- (4) The study being conducted by the independent consultant is in good progress. We expect the study to complete in the first half of 2013. The recommended list of events suitable for classification under the tier-one scheme will be submitted to the MEF Assessment Committee (AC) and the Controlling Officer of the MEF for consideration. We do not have a concrete list of events at the moment. To ensure proper use of public funds, the AC will approach the respective event organisers in accordance with the recommended priorities of suitable events, to make sure that they understand the detailed operation of the MEF, as well as to explore the mode of co-operation (such as the ceiling of the MEF support, specific performance deliverables and target of the events, the profit-sharing mechanism if the event generates any profit, etc.) If an agreement could be reached, the organisers would be invited to submit formal applications to the MEF. The AC would assess the applications in accordance with the established and open assessment criteria.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)072**

Question Serial No.

1512

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:

Regarding the \$1 billion BUD Fund set up last June, please advise this Committee:

- (1) of the BUD Fund's work progress so far, including the processing status of applications. Out of the over 500 applications since received, how many applications have been approved? What is the amount of funds allocated to each case? Will funding support for individual cases be provided on a continuous basis?
- (2) of the expected consumption timetable of the entire Fund
- (3) of the anticipated rate, level and schedule of return for the Fund
- (4) of the applications received as a proportion of the total in the industry
- (5) whether in addition to funding subsidies, the scheme provides strategic consultation/support to individual projects in parallel. If no, whether the Government will consider providing focused strategic support to cases in priority industries?

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

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012. Subject to the financial position of the BUD Fund, the fund will be open for applications for five years. During the tenure of the BUD Fund, each enterprise may obtain funding for a maximum of three approved projects under the Enterprise Support Programme (ESP), with a cumulative funding ceiling per enterprise at \$500,000. The maximum amount of grant for each application under the Organisation Support Programme (OSP) is \$5 million, and there is no limit on the number of funding applications.

Up to the end of February 2013, we have processed 297 and 37 applications under the ESP and the OSP respectively, and 54<sup>1</sup> and 17 applications were approved, with an average amount of grants of \$394,000 and \$3.57 million respectively. The highest amount of funding approved are \$500,000 and \$5 million respectively, while the lowest amount of funding approved are \$15,000 and \$914,400 under the ESP and the OSP respectively. The total amount of funding approved is about \$81.9 million. We are now processing 222 and 17 applications under the ESP and OSP respectively.

Since funds would be disbursed to approved projects in stages according to their progress, the actual disbursement of funds may likely continue up to 2019-20. Since the BUD Fund has no income, a return of the Fund is not applicable.

Up to the end of February 2013, the industries involved in the applications received under the BUD Fund (including those subsequently withdrawn by the applicants) are as follows –

<b>Industry</b>	<b>ESP *</b>	<b>OSP</b>
<b><i>Manufacturing industries</i></b>		
Textiles and Clothing	30 (3)	2 (0)
Electronics	29 (2)	4 (2)
Plastics	22 (1)	1 (1)
Watches and Clocks	21 (3)	-
Toys	14 (1)	-
Jewellery	13 (1)	3 (1)
Metal Products	13 (1)	-
Printing and Publishing	13 (0)	1 (1)
Electrical Appliances	10 (1)	-
Industrial Machinery	9 (2)	-
Food & Beverage Manufacturing	7 (1)	1 (1)
Chemical & Biotechnology	6 (0)	-
Shoes	3 (1)	1 (0)
Medical and optical devices	3 (0)	1 (1)
Other manufacturing industries	36 (6)	5 (3)

<sup>1</sup> Excluding 47 applications that were granted conditional approval. The final approval of such applications and the amount of grants will be subject to further information submitted by the applicants.

<b>Industry</b>	<b>ESP *</b>	<b>OSP</b>
<i>Non-manufacturing industries</i>		
Wholesale & Retail	105 (11)	2 (0)
Import & Export Trade	41 (5)	-
Information Technology	34 (4)	6 (3)
Creative Industries (including product image and design services)	16 (2)	-
Advertisement, Sales & Marketing	13 (2)	-
Professional Services (including legal & accounting services)	11 (2)	-
Restaurants and Hotels	10 (0)	4 (0)
Logistics	6 (2)	-
Banking, Insurance & Other Finance Services	3 (0)	1 (0)
Enterprises in general	0 (0)	17 (2)
Transportation	0 (0)	1 (1)
Film Entertainment	0 (0)	1 (0)
Other non-manufacturing industries	51 (3)	3 (1)
<b>Total</b>	<b>519 (54) <sup>+</sup></b>	<b>54 (17) <sup>+</sup></b>

( ) figures in brackets indicate the number of approved applications

\* Applicant enterprises involved in more than one industries are catergorised based on their core business or the business with a larger scale.

<sup>+</sup> Including 114 and 6 applications under the ESP and OSP respectively that were subsequently withdrawn by the applicants.

As regards the provision of strategic consultation/support to individual projects, the Hong Kong Productivity Council (the secretariat of ESP) currently offers various services to applicant enterprises. These include providing enquiry service through hotline and email, organising promotional seminars regularly to introduce the application requirements and procedures of ESP to enterprises, and brief enterprises on useful tips for applications. Up to the end of February 2013, the Council has handled over 2000 enquiries and organised 17 seminars with over 1900 participants. The Trade and Industry Department (TID) (the secretariat of OSP) also provides similar service to organisations which are interested in applying funding support under the OSP. For example, TID will meet with applicant organisations before they submit the application to explain the application

requirements and procedures and offer initial views on the project, so as to assist the applicants in refining the project. Up to the end of February 2013, TID has handled around 730 enquiries (by telephone, email and in person).

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)073**

Question Serial No.

4661

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

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 stated that it would “continue to ensure the smooth operation of the Post Office Trading Fund”. Please inform this Committee:

1. whether the Administration has assessed if the operation of the Post Office as a trading fund is in keeping with the prevailing needs and circumstances of society; if it has, of the details; if it has not, whether such an assessment will be made in the coming year (2013-14); if no assessment will be made, of the reason;
2. whether the Administration has examined the profit and loss account of the Post Office Trading Fund (POTF) to assess if its operation as a trading fund is sustainable; if it has, of the details; if it has not, whether such an examination will be conducted in the coming year (2013-14); if it will not, of the reason;
3. whether the Administration is aware of the loss incurred by the POTF; if it is, whether it has considered how to address it; and of the options that have been considered.

Asked by: Hon. KWOK Wai-keung

Reply:

The primary objective for Hongkong Post (HKP) to operate as a trading fund is to enable it to manage resources more flexibly so as to enhance productivity and cost-effectiveness and to allow it to formulate appropriate business strategies in response to the changing market and business environment with a view to providing customers with quality and reliable services. We are of the view that HKP should continue to operate as a trading fund, and will continue to keep under review the operation and financial position of the Post Office Trading Fund (POTF) in order to ensure that it operates smoothly, optimises the utilisation of its resources and provides postal services to the public at reasonable prices.



HKP recorded an operating loss in 2011-12 mainly because its operating revenue could not offset its operating costs that have increased persistently over the years. In order to improve the POTF's financial situation, HKP will continue to implement revenue-generating and cost-saving measures. On revenue generation, HKP proactively develops new and value-added services and expands the customer base of its existing services in response to the market situation. HKP also enhances productivity and controls costs through mechanisation and automation, and improvement of operating procedures and manpower deployment, etc. In addition, HKP will review from time to time the need to adjust postage rates, taking into account all relevant factors such as its financial position, the prevailing economic condition, business environment and public affordability etc.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)074**

Question Serial No.

1105

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:

In 2013-14, does the Administration have any plans for nurturing emerging industries and supporting small and medium enterprises (SMEs)? What is the estimated expenditure required for supporting SMEs?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

**Nurturing the Emerging Industries**

Of the six industries where Hong Kong enjoys clear advantages, the Communications and Technology Branch (CTB) and the departments under its purview are tasked to promote the development of three of them, namely the creative industries, innovation and technology, and testing and certification.

Creative Industries

CreateHK, which is under the CTB, will continue to provide financial support through the CreateSmart Initiative (CSI) and Film Development Fund to projects conducive to the development of creative industries. To step up efforts to facilitate the development of creative industries, we will make a funding application to the LegCo Finance Committee (FC) to inject an additional \$300 million into the CSI.

Also, we continue to promote the development of the local design sector. With a funding of \$133.75 million approved by the FC last year, we support financially the Hong Kong Design Centre (HKDC)'s operation and events, and fund a new phase of the Design Incubation Programme (DIP). Under an agreement between the Government and the HKDC, DIP will admit at least 60 incubatees in three years from 2012. The HKDC has now admitted 21 incubatees and will continue to nurture design start-ups having regard to the actual circumstances.

CreateHK launched the First Feature Film Initiative in March 2013 as Government's latest support measure for the film industry. Moreover, CreateHK will help promote the Comix Home Base and the PMQ to be opened within this year to forge the development of Hong Kong's animation-comics and design sectors.

### Innovation and Technology

On the promotion of local development of innovation and technology, the Government has been fostering collaboration among the Government, industry, academia and research sectors through the provision of hardware and software support. The initiatives include:

- (1) development of the \$4.9 billion Science Park Phase 3, which is expected to be completed in stages from 2014 to 2016<sup>1</sup>;
- (2) promoting applied technological research/activities through the Innovation and Technology Fund (ITF). As at end-January 2013, a total of 3 177 projects have been approved under ITF with total commitment of \$7.3 billion. We will suitably enhance the ITF to better support the development of innovation and technology. For example, we have extended the scope of the ITF to cover, in addition to research and development (R&D) work, the production of tools/prototypes/samples and the conduct of trial schemes in the public sector. So far, over 40 public sector trial projects have commenced;
- (3) increasing the level of cash rebate to enterprises for eligible R&D projects under the R&D Cash Rebate Scheme from 10% to 30%. Although the Scheme has only been launched for some 3 years, the increasingly positive response from the private sector shows that the Scheme has successfully encouraged more private sector companies to engage in R&D in collaboration with designated local research institutions;
- (4) continuing to support the activities of the R&D Centres such as commercialisation of R&D results<sup>2</sup>;
- (5) organising a wide range of activities such as science competitions and scholarship scheme to promote innovation and technology in the community; and
- (6) continuing to work with the Mainland to actively promote R&D co-operation in science and technology between the two places.

<sup>1</sup> The Hong Kong Science and Technology Parks Corporation (HKSTPC), which is responsible for developing and managing the Hong Kong Science Park, is a statutory body established under the Hong Kong Science and Technology Parks Corporation Ordinance. In this connection, the expenses for conducting various activities in the Park are not included in the Government's expenditure. The estimated cost for developing the Science Park Phase 3 is \$4.9 billion. The Government has injected \$1.5 billion and provided a loan of \$1.2 billion as well as a guarantee for a commercial loan amounting to \$1.7 billion and the interest arising therefrom to HKSTPC.

<sup>2</sup> The funds involved have been counted as part of ITF funding.

## Testing and Certification

The Government has been working closely with the Hong Kong Council for Testing and Certification (HKCTC) in implementing a 3-year industry development plan. It is worthwhile to note that HKCTC has just completed a review on the implementation progress of the industry development plan. The review report will be submitted to the Legislative Council Panel on Commerce and Industry for discussion soon.

## **Supporting the Development of SMEs**

The Government attaches great importance to the development of SMEs. We review various government support measures on an on-going basis in order to provide adequate and timely support to SMEs. The 2013-14 Budget has announced a series of measures to support SMEs. No additional funding would be required. Details are as follows:

(1) The application period for the special concessionary measures under the SME Financing Guarantee Scheme (SFGS) has been extended for one year up to the end of February 2014. The Government would continue to provide a total loan guarantee commitment of \$100 billion; the extension of application period does not involve additional government resources.

(2) The Government will continue to implement the \$1 billion Dedicated Fund on Branding, Upgrading and Domestic Sales to provide funding support to individual enterprises and non-profit-distributing organisations, so as to assist enterprises in enhancing their competitiveness and facilitating their business development in the Mainland. Continue implementing the BUD Fund does not involve additional government resources.

(3) The Hong Kong Trade Development Council (TDC) plans to open new Design Gallery shops in Wuhan and Qingdao in 2013-14, and Chengdu in 2014-15, in order to further expand the network of Design Gallery shops in the Mainland. In addition, the TDC is collaborating with department stores in the Mainland to open a series of Design Gallery inside the stores under the concept of “shop-in-shop”.

The TDC estimates that the Design Gallery shops in Wuhan and Qingdao would be open in April and July this year respectively. The first “shop-in-shop” inside a department store will be open on 28 March in Shanghai this year, whereas another two “shops-in-shop” in Beijing and two more “shops-in-shop” in Wuhan will commence operation in July and October this year respectively.

The relevant expenditure is included in the TDC’s budget and does not involve additional government resources.

(4) The Government plans to increase the cumulative grant ceiling for each SME under the SME Export Marketing Fund (EMF) from \$150,000 to \$200,000, subject to the meeting of relevant additional conditions. As of February 2013, there are more than 37 000 SME beneficiaries of the EMF, among which some 4 700 have exhausted their \$150,000 grant ceiling. Assuming that all these enterprises apply for and exhaust the additional grant of \$50,000, the additional expenditure will be \$235 million. The additional expenditure will increase as more SMEs apply for the additional grants after they have exhausted their current cumulative grant ceiling of \$150,000. The additional expenditure will be met by the relevant approved commitment.

(5) The Hong Kong Export Credit Insurance Corporation (ECIC) has introduced on 1 March 2013 a "Small Business Policy" (SBP) scheme for Hong Kong enterprises with an annual business turnover of less than \$50 million, providing exporters with more flexibility in taking out insurance cover. Within a period of two years from the same date, SBP policyholders will enjoy waiver of the annual policy fee and up to 20 per cent premium discount. The ECIC also upgraded on 1 March this year the ratings of Turkey and the Philippines and raised the insurance limits of these countries and would provide higher credit limits and lower premium rates for exporters to these countries. The two measures of the ECIC have been included in the ECIC's overall budget, and do not involve additional government resources.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)075**

Question Serial No.

1132

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:

It is mentioned in the Budget that tourism accounts for 4.5% of the gross domestic product, yet it drives the development of other industries and has huge impact on our economy.

- (a) Please provide the percentage contribution of tourism and related industries (including the retail, hotel and catering industries) to the gross domestic product and their growth rates in the past three years (up to 2012); and
- (b) What were the number of people employed by tourism and related industries and their growth rates in the past three years?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

- (a) Figures for 2012 are not yet available. According to the latest figures released by the Census and Statistics Department (C&SD), the percentage contribution of value added of tourism and related industries to the gross domestic product (GDP) and their growth rates in the past three years (2009 – 2011) is as follows –

	% share in GDP in 2009 (year-on-year growth rate)	% share in GDP in 2010 (year-on-year growth rate)	% share in GDP in 2011 (year-on-year growth rate)
Tourism	3.2% (+14.2%)	4.3% (+46.4%)	4.5% (+13.8%)
• Inbound Tourism	2.5% (+8.7%)	3.4% (+46.9%)	3.7% (+19.7%)

	% share in GDP in 2009 (year-on-year growth rate)	% share in GDP in 2010 (year-on-year growth rate)	% share in GDP in 2011 (year-on-year growth rate)
- Retail trade	0.8% (+6.5%)	1.0% (+27.2%)	1.1% (+27.6%)
- Accommodation services	0.6% (-24.0%)	0.9% (+64.5%)	1.2% (+43.7%)
- Food and beverage services	0.3% (-10.6%)	0.4% (+41.2%)	0.4% (+25.7%)
- Cross-boundary passenger transport services	0.5% (+226.5%)	0.8% (+71.0%)	0.6% (-23.7%)
- Others	0.3% (+10.9%)	0.4% (+29.7%)	0.4% (+26.0%)
● Outbound Tourism	0.7% (+41.4%)	0.9% (+44.5%)	0.7% (-8.6%)
- Travel agency, reservation service and related activities	0.3% (+5.5%)	0.3% (+21.8%)	0.3% (-7.5%)
- Cross-boundary passenger transport services	0.4% (+101.6%)	0.5% (+64.4%)	0.4% (-9.4%)

(b) Figures for 2012 are not yet available. According to the latest figures released by the C&SD, the number of people employed by tourism and related industries and their growth rates in the past three years (2009 – 2011) is as follows –

	Employment in 2009 (year-on-year growth rate)	Employment in 2010 (year-on-year growth rate)	Employment in 2011 (year-on-year growth rate)
Tourism	192 200 (-1.3%)	215 100 (+11.9%)	233 500 (+8.6%)
● Inbound Tourism	163 600 (+1.5%)	187 800 (+14.8%)	203 900 (+8.6%)
- Retail trade	82 200 (+8.3%)	88 800 (+8.0%)	88 900 (+0.1%)
- Accommodation services	27 100 (-4.7%)	34 500 (+27.0%)	39 000 (+13.3%)
- Food and beverage services	27 900 (-10.9%)	37 300 (+33.9%)	42 800 (+14.7%)
- Cross-boundary passenger transport services	11 600 (+2.4%)	11 700 (+0.8%)	13 400 (+14.6%)

	Employment in 2009 (year-on-year growth rate)	Employment in 2010 (year-on-year growth rate)	Employment in 2011 (year-on-year growth rate)
- Others	14 800 (+3.9%)	15 500 (+5.2%)	19 700 (+26.9%)
• Outbound Tourism	28 700 (-14.7%)	27 200 (-5.0%)	29 700 (+8.9%)
- Travel agency, reservation service and related activities	19 700 (-5.0%)	19 100 (-3.4%)	19 400 (+1.6%)
- Cross-boundary passenger transport services	8 900 (-30.4%)	8 200 (-8.4%)	10 300 (+25.9%)

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)076**

Question Serial No.

1133

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

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 reasons for the 2% increase in the revised estimate for subvention to the Hong Kong Tourism Board in 2012-13 over the original provision?
- (b) How will the estimate be spent? For example, what will be the distribution of expenditures on promoting Hong Kong as a tourist destination and administrative costs?
- (c) What were the distribution and amount of expenditures on promoting Hong Kong as a tourist destination to different countries over the past three years (i.e. 2010-11 to 2012-13)?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

- (a)-(b) The revised estimate for 2012-13 of the Hong Kong Tourism Board (HKTB) is 2% higher than the original provision. This is mainly due to the Government's additional allocation of \$8.1 million to the HKTB for organising the "Hong Kong Wine and Dine Month" in November 2012 and staging promotional events to support the opening of the Hong Kong Economic, Trade and Cultural Office in Taiwan in May 2012.
- (c) The breakdown of the HKTB's marketing expenditure in various visitor source markets in the past three years is as below:

	<b>2010-11 Actual Expenditure (HK\$ million)</b>	<b>2011-12 Actual Expenditure (HK\$ million)</b>	<b>2012-13 Revised Estimate (HK\$ million)</b>
<b><i>Mainland China</i></b>	<b>58.9</b>	<b>53.2</b>	<b>53.7</b>
<b><i>Short-haul Markets</i></b>	<b>54.3</b>	<b>47.6</b>	<b>51.1</b>
Japan	13.1	14.2	13.4
Taiwan	19.4	11.6	13.2
South Korea	9.7	9.8	10.9
Singapore	3.5	2.8	3.5
The Philippines	3.6	3.0	3.3
Malaysia	2.7	2.9	2.6
Indonesia	0.6	1.0	2.3
Thailand	1.7	2.3	2.0
<b><i>Long-haul Markets</i></b>	<b>42.3</b>	<b>50.2</b>	<b>43.6</b>
The USA	15.0	17.1	16.0
Australia	10.1	9.6	10.5
The UK	6.7	12.6	6.8
Canada	4.4	4.4	4.0
Germany	3.2	3.5	3.4
France	2.9	3.0	2.9
<b><i>New Markets</i></b>	<b>17.7</b>	<b>17.7</b>	<b>31.2</b>
India	9.0	9.3	13.4
Russia	6.7	4.0	8.0
The Middle East	2.0	2.6	4.3
Vietnam	-/-	0.6	2.9
The Netherlands	-/-	1.3	2.6
<b><i>Non-key Markets</i></b>	<b>3.7</b>	<b>6.7</b>	<b>0.1</b>
<b>Total Marketing Budget for Source Markets</b>	<b>176.9</b>	<b>175.4</b>	<b>179.8</b>

Remarks: Due to rounding, the total may differ from the sum of individual figures.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)077**

Question Serial No.

1134

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

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 Estimates refers to the average expenditure of overnight visitors in 2012 as HK\$7,819, representing an increase of 4.7% over 2011. Please inform this Committee of:

- (a) the average expenditures of overnight and same-day Mainland visitors and their increase/decrease rates over the past three years (i.e. 2010 to 2012); and the average expenditures of Mainland visitors and their increase/decrease rates over the past three years (regardless of whether they were overnight visitors or not; and
- (b) the average expenditures of overnight overseas visitors (excluding Mainland visitors) and their increase/decrease rates over the past three years.

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

- (a) According to information collected by the Hong Kong Tourism Board (HKTB), the average per capita spending of Mainland visitors between 2010 and 2012 was as follows:

	2010	2011	2012*
Average per capita spending of overnight Mainland visitors (vs. previous year)	\$7,453 (+12.6%)	\$8,220 (+10.3%)	\$8,525 (+3.7%)

	2010	2011	2012*
Average per capita spending of same-day in-town Mainland visitors (vs. previous year)	\$2,356 (+0.2%)	\$2,439 (+3.5%)	\$2,578 (+5.7%)

\* Provisional figures

- (b) According to information collected by the HKTB, the average per capita spending of overnight overseas visitors (excluding Mainland visitors) between 2010 and 2012 was as follows:

	2010	2011	2012*
Average per capita spending of overnight overseas visitors (vs. previous year)	\$5,722 (+23.3%)	\$6,299 (+10.1%)	\$6,599 (+4.8%)

\* Provisional figures

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)078**

Question Serial No.

0716

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:

In 2012-13, the Commerce, Industry and Tourism Branch will continue to assist the trade to adjust to changes in the Mainland's policy on processing trade through industrial restructuring and upgrading, relocating their operations and opening up new markets. Will the Administration take the initiative to discuss and study with the Financial Services and the Treasury Bureau on the review and amendment of Section 39E of the Inland Revenue Ordinance, which has all along been hindering the restructuring and upgrading of enterprises? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. LAM Tai-fai

Reply:

We note that in recent years Mainland enterprises set up by Hong Kong companies in the Pearl River Delta have undergone restructuring. We also understand that some companies have asked for relaxing the restriction in section 39E of the Inland Revenue Ordinance ("IRO") such that Hong Kong companies conducting "import processing" in the Mainland could be entitled to a depreciation allowance in Hong Kong for the machinery and plant and that their Hong Kong profits tax could be calculated according to the 50:50 basis of apportionment method.

All along, in formulating and reviewing tax laws, the Government takes into due consideration such essential factors as consistency of the intended changes with the established taxation principles of Hong Kong and risk of possible loopholes for tax avoidance.

We understand that in November 2010, the Financial Services and the Treasury Bureau completed a review on whether the restriction in section 39E of the IRO should be relaxed. Subsequently, the Administration also explained in detail to the Legislative Council the outcome of the review and the relevant justifications. In short, there are substantive differences between "contract processing" and "import processing" in terms of status of legal person, proportion of domestic sales and exports,

mode of operation, ownership of goods and manufacturing equipment, etc. Having carefully examined the above facts, and in the light of Hong Kong's established taxation principles of "territorial source" and "tax symmetry" as well as the issues relating to transfer pricing, the Administration has come to the conclusion that it is not justifiable to relax the restriction in section 39E of the IRO.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)079**

Question Serial No.

0717

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:

In 2013-14, the Commerce, Industry and Tourism Branch will continue to support the further development of wine-related business in Hong Kong. What are the details of the work involved? Does the Government have any conversion plans to establish wine centres in other places or within Government structures? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. LAM Tai-fai

Reply:

Details of our efforts in 2013-14 to support the further development of wine-related business are given below –

- (a) trade and investment promotion: the Commerce and Economic Development Bureau co-ordinates the promotion work of relevant agencies, namely the Hong Kong Trade Development Council, the Hong Kong Tourism Board, and Invest Hong Kong, including wine promotion events such as the Wine and Dine Festival and the International Wine and Spirits Fair;
- (b) clearance facilitation: the Mainland customs facilitation scheme for wines imported from Hong Kong has been extended from Shenzhen to Guangzhou since November 2012. We will enhance its promotion and seek refinements in consultation with the Mainland Customs;
- (c) manpower training and education: the Government will carry out a manpower survey for the wine industry in 2013-14. It will assess the manpower demand and supply and training needs, for reference by industry players and training providers;

- (d) wine storage: the Hong Kong Quality Assurance Agency has reviewed its scheme for accrediting storage facilities in 2012, and set the direction for developing wine accreditation services. We will co-operate with the HKQAA;
- (e) combating counterfeit wine: the Customs and Excise Department (C&ED) will continue to ally with the industry for strengthening co-operation in intelligence collection and market monitoring. C&ED will also continue to liaise with overseas and Mainland enforcement agencies for enhancing its capacity in intercepting any suspected counterfeit wine and verifying wine authenticity; and
- (f) international co-operation: we signed an agreement with Germany in May 2012, making a total of 13 agreements on wine co-operation. We will continue to look for other partners to strengthen promotional activities in areas including wine-related trade, investment, tourism, etc.

Regarding land and government buildings, we will continue to facilitate the sustained development of various industries, including the wine industry, through effective land use planning as well as a steady and sufficient supply of land. Government buildings are mainly used for government offices, public facilities or other government purposes. If there are surplus Government properties, tenancies would be invited by way of open tender for commercial purposes in general. There is no conversion plan to establish “wine centres” in Government buildings at this stage.

As a long-term measure, the Government is conducting a feasibility study on the long-term strategy for cavern development as one of the means for sustainable land supply. The study includes exploring the feasibility for housing some private facilities, such as wine cellars, in rock caverns.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)080**

Question Serial No.

0718

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

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:

In 2013-14, the Hong Kong Trade Development Council will sharpen its capabilities to serve and nurture a new breed of small and medium enterprises (SMEs), strengthen its entrepreneurial programme to better support the younger generation of SMEs and help SMEs explore new production areas involving lower cost. What concrete measures will be implemented in these three areas? What will be the expenditures involved? And how to define "a new breed/the younger generation of SMEs"?

Asked by: Hon. LAM Tai-fai

Reply:

Small and medium-sized enterprises (SMEs) have all along been the focus of the services of the Hong Kong Trade Development Council (TDC). TDC also endeavours to nurture the new generation of SMEs, which have been established for less than three years generally. TDC will pursue the following work in 2013-14:-

- (1) TDC will continue to enhance the capabilities of the new generation of SMEs through the following services:-
- to organise seminars in collaboration with the Hong Kong Federation of Youth Groups to promote entrepreneurship; and to organise the "TDC Trade Ambassador Programme" in collaboration with local tertiary institutes;
  - to enhance the support services provided by the SME Centre such as the advisory services for SMEs as well as the organisation of regular workshops and seminars on entrepreneurship;

- to provide SMEs with the latest market intelligence through research reports, digitised Research Portal, electronic newsletters and trade publications; and
  - to organise a series of seminars, workshops and training courses for SMEs to enhance their understanding of the latest market information, trade regulations as well as various techniques in penetrating into the Mainland domestic market and brand building.
- (2) To strengthen the entrepreneurial programme and to assist SMEs to develop their marketing capabilities, TDC will implement the following measures to support SMEs in 2013-14:-
- to enhance its customer database infrastructure, especially information on importers, distributors, retailers and e-tailers in emerging markets, as well as to enrich the information database on brands licensors, franchisors and information technology companies in mature markets;
  - to open offices in Nanjing and Chongqing to provide better support for SMEs interested in exploring the markets of the Jiangsu Province and the western part of our country. Moreover, TDC has sent a full time staff to work in its Consultant Office in Jakarta of Indonesia;
  - to open new “Design Gallery” shops in Wuhan and Qingdao in 2013-14, and Chengdu in 2014-15, in order to further expand the network of “Design Gallery” in Mainland China. Besides, TDC is collaborating with a famous department store group in Mainland China – the New World Department Store, to open a series of “Design Gallery” inside the stores under the concept of “shop-in-shop”;
  - to organise two special events for start-ups and SMEs, namely the “Entrepreneurship Day” in May and the “World SME Expo” in December and to provide various business support services for them;
  - to offer discounted booths in selected fairs to lower the entry threshold for local start-ups. For example, “Economic Booth” with smaller booth size and “Cubic Showcase” for product display with company information are introduced to enable new enterprises with less resources to participate and promote their products in international fairs. More than 500 SMEs have benefited from these new initiatives since their introduction in October 2010. TDC will continue to provide these services in response to market demand; and
  - to introduce the Small-Order Zone in its local trade fairs in response to the small orders purchasing mode for buyers from emerging markets. Over 1 200 suppliers have participated in this initiative since its introduction in April 2012, which has resulted in more than 80 000 business matchings.

- (3) In view of the rising production costs in the Pearl River Delta region, TDC 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. Major activities include the organisation of trade missions to Myanmar, Indonesia and Vietnam etc., so as to help Hong Kong producers to assess the suitability of these places as alternative manufacturing bases.

The above are part of the work covered under Programme (3). We do not have separate breakdown of expenditures for each of them.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)081**

Question Serial No.

0719

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

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:

In paragraph 70 of the 2013-14 Budget Speech, the Financial Secretary announced that the Hong Kong Trade Development Council (HKTDC) would set up more Design Galleries in Mainland cities other than Beijing and Guangzhou to offer platforms for Hong Kong enterprises, especially small and medium enterprises, to showcase their products and help more Hong Kong enterprises gain access to the Mainland market. What are the details of such plans? Please give a list of the cities involved, the number and size of Design Galleries to be set up, and give an account of the estimated operational expenses to be borne by the HKTDC.

Asked by: Hon. LAM Tai-fai

Reply:

The Hong Kong Trade Development Council (TDC) plans to open new Design Gallery shops in Wuhan and Qingdao in 2013-14, and Chengdu in 2014-15, in order to further expand the network of Design Gallery in the Mainland. In addition, the TDC is collaborating with department stores in the Mainland to open a series of Design Gallery inside the stores under the concept of “shop-in-shop”.

The TDC estimates that the Design Gallery shops in Wuhan and Qingdao would be open in April and July this year respectively. The first “shop-in-shop” inside a department store will be open on 28 March in Shanghai this year, whereas another two “shops-in-shop” in Beijing and two more “shops-in-shop” in Wuhan will commence operation in July and October this year respectively.

The TDC's relevant budget in 2013-14 is \$12 million, which includes the cost for shop renovation, operation and promotion.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)082**

Question Serial No.

0721

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:

As stated in paragraph 70 of the Budget Speech that on 1 March, the Hong Kong Export Credit Insurance Corporation (ECIC) will introduce a "Small Business Policy" scheme for Hong Kong enterprises with an annual business turnover of less than \$50 million, providing exporters with more flexibility in taking out insurance cover. In this connection, please advise this Committee of the number of enterprises with an annual business turnover of less than \$50 million. And what types of business are these enterprises engaged in?

Asked by: Hon. LAM Tai-fai

Reply:

The Hong Kong Export Credit Insurance Corporation (ECIC) does not have information on the number of Hong Kong enterprises with an annual business turnover of less than \$50 million and the types of business they are engaged in.

As at 28 February 2013, the ECIC has 3 510 policyholders. The breakdown by industries is as follows –

<b>Industry</b>	<b>Number of policyholders</b>	<b>% of total number of policyholders</b>
Clothing and textiles	735	20.9
Electronics and electrical appliances	526	15.0
Toys	302	8.6
Jewelries, watches and clocks	249	7.1

<b>Industry</b>	<b>Number of policyholders</b>	<b>% of total number of policyholders</b>
Chemical and mineral products	200	5.7
Metallic products	177	5.0
Plastic articles	152	4.3
Papers and printed matters	141	4.0
Travel goods	132	3.8
Services	42	1.2
Others	854	24.4
<b>Total</b>	<b>3 510</b>	<b>100.0</b>

The ECIC estimates that about 2 500 existing policyholders can benefit from the new “Small Business Policy” scheme.

Name in block letters: ANDREW HY WONG  
Permanent Secretary for Commerce and  
Economic Development  
Post Title: (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)083**

Question Serial No.

0722

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:

It is stated in paragraph 70 of the Budget Speech that the Hong Kong Export Credit Insurance Corporation will raise the insurance limits of rating-upgraded-countries and provide lower premium rates for exporters to these countries. In this connection, please advise this Committee of the number of local exporters and the amount of export orders to Russia, Indonesia, Peru, Turkey and the Philippines.

Asked by: Hon. LAM Tai-fai

Reply:

The Hong Kong Export Credit Insurance Corporation (ECIC) does not have information on the number of local exporters exporting to and the amount of export orders to Russia, Indonesia, Peru, Turkey and the Philippines.

Based on the information of ECIC, for the twelve-month period from 1 March 2012 to 28 February 2013, the number of ECIC's policyholders and the amount of the insured business involving export to Russia, Indonesia, Peru, Turkey and the Philippines are as follows:

<b>Country</b>	<b>Number of policyholders</b>	<b>Amount of insured business (billion in HKD)</b>
Russia	72	1.86
Indonesia	54	0.86
Peru	10	0.06



<b>Country</b>	<b>Number of policyholders</b>	<b>Amount of insured business (billion in HKD)</b>
Turkey	65	1.16
Philippines	45	0.34
<b>Total</b>	246	4.28

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)084**

Question Serial No.

0741

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:

Paragraph 36 (P.11) of the Budget Speech states that to sustain the healthy development of the tourism industry, there is a need to devote more efforts to enhancing tourism infrastructure, hotel supply, market promotion, service support, etc. In this connection, please advise this Committee of the Government's specific initiatives in these four areas, and whether additional resources have been allocated accordingly.

Asked by: Hon. LAM Tai-fai

Reply:

With a view to sustaining the healthy development of Hong Kong's tourism, the Government has been investing heavily in tourism infrastructure. Our two theme parks (i.e. Ocean Park and the Hong Kong Disneyland) kept improving and adding new attractions in the past few years. Both of them have plans to expand further. The Ocean Park will build an all-weather waterpark in the Tai Shue Wan area. The Government will provide a \$2.3 billion loan to the Ocean Park to facilitate the early commencement of the project. We plan to submit a funding proposal to the Finance Committee within the second quarter of this year. In the coming few years, the Hong Kong Disneyland will launch a new night-time parade and put in place a themed area featuring "Marvel heroes". Another major tourism infrastructure project, the Kai Tak Cruise Terminal, will have its terminal building and the first berth being commissioned in June this year.

In the area of hotel, the Government has been taking a multi-pronged approach to increase supply. These government initiatives include the "hotel only" scheme, the revitalization of industrial buildings and historic buildings for hotel use. Between April and June 2013, we will sell the hotel site at Murray Building in Central which will provide some 300 hotel rooms. In order to facilitate revitalizing industrial building applications, the Government completed a mid-term review in September 2011, and introduced a number of refinements in favor of industrial buildings owners for conversion into hotel use. It is estimated that some 10 000 new hotel rooms will be provided this year and next year.

On the other hand, the Ocean Park and the Hong Kong Disneyland will continue to follow up their hotel development plans. Of them, the re-tender of the Ocean Hotel of the Ocean Park will close in the second quarter this year. The Ocean Park will then kick off the relevant selection exercise. The tender exercise of the Fishermen's Wharf Hotel will tie in with the schedule of the Tai Shue Wan Development Project and the relevant details will be announced later. The Hong Kong Disneyland is actively pursuing a new hotel project. Relevant design works are underway. We will continue to work closely with the two theme parks to ensure the smooth implementation of their hotel developments.

On market promotion, the Hong Kong Tourism Board (HKTB)'s estimated total promotional budget is \$337.8 million in 2013-14. The HKTB will continue to invest in 20 major markets in 2013-14, including 15 key markets and 5 new markets, in order to maintain a diverse visitor portfolio, as well as to uphold Hong Kong's image as Asia's World City and a world-class travel destination. The HKTB will allocate 71% of its market promotional budget for source markets (about \$125 million) to the international markets. The remaining budget, or about 30% of the total budget (about \$51.4 million), will be invested in the Mainland market, 84% of which will be allocated to provinces beyond Southern China.

The HKTB will continue to leverage its 10 mega promotional campaigns to promote various mega events. Such promotions will inject new elements into selected activities to motivate visitors' sightseeing and spending in different districts. At the same time, the HKTB will continue to actively promote mega events organised by other institutions that are attractive to tourists. Such activities include events sponsored by the Mega Events Fund.

In terms of supporting service, the Government has been working closely with the tourism industry and related organisations to promote honest and good quality services for tourists. In July 2012, amendments to the Trade Descriptions Ordinance were enacted, targeting common unfair trade practices. In addition, the HKTB's "Quality & Honest Hong Kong Tours" from the Mainland are guaranteed free of compulsory self-paid activities, guided shopping and any surcharges. These tours were offered in 27 Mainland cities at the end of 2012. The HKTB's Quality Tourism Services (QTS) Scheme to promote good quality services at shops, restaurants, visitor accommodation facilities and hair salons is widely supported. By the end of 2012, some 1 320 local establishments with over 7 800 outlets had earned QTS accreditation.

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>26.3.2013</u>

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

**CEDB(CIT)085**

Question Serial No.

0742

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:

It was stated in paragraph 40 of the Budget Speech (p.15) that the Administration should continue to sponsor more international mega events to be held in Hong Kong through the Mega Events Fund (the Fund), and use the existing mechanism to subsidise mega events hosted by local non-profit-making organisations. The Administration should take the initiative to seek to host more mega events, such as the Formula 1 Races and overseas NBA games. As such, please advise this Committee:

- (a) whether the Administration will reduce the percentage of subsidies to local non-profit-making organisations and increase the resources for hosting international mega events that are Government-led;
- (b) details of the applications received by the Fund in the past 3 years (i.e. 2010, 2011 and 2012) as follows:

Project title	Organiser	Nature	Date of Event	Funding Ceiling
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- (c) the funding criteria of the Fund, the funding applications that were rejected and the reasons for rejection.

Asked by: Hon. LAM Tai-fai

Reply:

- (a) Although the Finance Committee (FC) of the Legislative Council (LegCo) approved the modification of the Mega Events Fund (MEF) scheme into a two-tier system last year so that more internationally-acclaimed mega events can be attracted to Hong Kong, we have not reduced our support to the local non-profit-making organisations in organising mega events.

We shall continue to support large-scale arts, cultural, sports and entertainment events in Hong Kong organised by local non-profit-making organisations. To date, we have launched two rounds of applications under the MEF Tier-2 scheme. We expect that more mega events will be receiving support from the MEF. The number of mega events receiving the MEF's funding support, as well as their respective nature and funding amount etc. will depend on the number of applications received and how many of them can successfully pass the assessment.

- (b) & (c) The MEF was established in 2009 following the funding approval of FC of LegCo. Since its inception, eight rounds of applications have been invited and a total of 92 applications have been processed. Among them, 21 mega events received the MEF's funding support. The details of the MEF-supported events are as follows:

Project title	Organiser	Nature	Date of Event	Funding Ceiling
Swire "Symphony Under the Stars"	Hong Kong Philharmonic Orchestra	Large-scale outdoor classical concert	13 November 2009	\$1.4 million
Hong Kong Tennis Classic 2010	Hong Kong Tennis Patrons' Association Limited	International tennis tournament	6-9 January 2010	\$9 million
Mui Wo Water Lantern and Sky Lantern Festival	Hung Shing Festival Preparatory Committee Limited	Traditional cultural activity	26-29 March 2010	\$1.5 million
Hong Kong 2010 International a cappella Festival	The Hong Kong Federation of Youth Groups	Large-scale music festival	27 March – 22 April 2010	\$0.8 million
Hong Kong Musical Festival	Springtime Experimental Theatre Perry Chiu Experimental Theatre Ah Lo Productions Chung Ying Theatre Company	Large-scale musical opera festival	29 March – 21 April 2010	\$2.5 million
Hope and Glory	The Birch Foundation	Large-scale multi-media arts exhibition	8 April – 30 May 2010	\$2 million

Project title	Organiser	Nature	Date of Event	Funding Ceiling
Hong Kong Dragon Boat Carnival	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	23-25 July 2010	\$5 million
Record Breaking Dragon and Lion Dance Extravaganza	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2011	\$1 million
Hong Kong Tennis Classic 2011	Hong Kong Tennis Patrons' Association Limited	International tennis tournament	5-8 January 2011	\$5 million
Hong Kong Well-wishing Festival	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	11-17 February 2011	\$1.8 million
Hong Kong Dragon Boat Carnival 2011	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	17-19 June 2011	\$4 million
Hong Kong International Jazz Festival 2011	Hong Kong Jazz Association	Large-scale music festival	25 September –2 October 2011	\$3 million
Hong Kong Cricket Sixes 2011	The Hong Kong Cricket Association	International cricket tournament	28-30 October 2011	\$3.5 million
UBS Hong Kong Open Championship 2011	Hong Kong Golf Association Limited	International golf tournament	1-4 December 2011	\$8 million
Dragon and Lion Dance Extravaganza 2012	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2012	\$1.4 million

Project title	Organiser	Nature	Date of Event	Funding Ceiling
Hong Kong Well-wishing Festival 2012	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	23 January – 6 February 2012	\$1.4 million
Hong Kong Dragon Boat Carnival 2012	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	2-8 July 2012	\$6.5 million
UBS Hong Kong Open Championship 2012	Hong Kong Golf Association Limited	International golf tournament	15-18 November 2012	\$15 million
Dragon and Lion Dance Extravaganza 2013	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2013	\$1.4 million
Hong Kong Well-wishing Festival 2013	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	10-23 February 2013	\$2.5 million
Manchester United Asia Tour 2013 (Hong Kong Leg)	Kitchee Foundation Limited	Soccer Exhibition match	29 July 2013	\$8 million

The MEF has a strict and open assessment mechanism. The MEF Assessment Committee (AC) will consider all the applications in detail. Successful applications must fulfil various basic criteria. For instance, the event must be an arts, cultural, sports or entertainment event; the organiser(s) must be local non-profit-making organisation(s) (applicable to tier-two scheme); and the number of participants in the event must exceed 10 000. To pass the assessment, the event is also required to attain passing marks for each of the criteria including economic benefits, publicity benefits, scale of the event, technical and financial feasibility, as well as the applicant's event management capabilities, etc. The MEF AC has been assessing each application carefully in accordance with the open assessment mechanism. Applications failing to meet any of the assessment criteria will be rejected.

Applications were rejected for various reasons. For example, the information provided in the application was incomplete or inaccurate; the event could not reach the minimum benchmark of 10 000 participants; the experience and financial strength of the organisers were doubtful, etc. To avoid putting undue pressure on unsuccessful applicants, it is the established practice for the MEF AC not to disclose the identity of unsuccessful applicants or the details of their applications without the prior consent of the applicants. Nevertheless, the Secretariat of the MEF AC will, upon request, notify unsuccessful applicants individually of the reasons for their failure, with a view to assisting the applicants to make improvement in future applications.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013



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

**CEDB(CIT)086**

Question Serial No.

0743

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:

According to Programme (6), the Administration will continue to support the Travel Industry Council of Hong Kong in implementing measures for regulating the operation of the Mainland inbound tour groups and improving the regulation of tourist guides. However, non-compliance cases involving the Mainland inbound tour groups occurred time and time again, seriously damaging the reputation of Hong Kong's tourism industry. As such, please advise this Committee of the specific measures adopted and additional resources allocated, if any, to review the monitoring mechanism and crack down on the culprits.

Asked by: Hon. LAM Tai-fai

Reply:

The Government all along attaches great importance to the service quality of the tourism sector in Hong Kong. To further improve the operation of Mainland inbound tours, the Travel Industry Council of Hong Kong (TIC)'s "Task Force on the Review of the Operation and Regulation of Mainland Inbound Group Tours" met in March this year to explore measures for strengthening the regulation of Mainland inbound tours. The Commissioner for Tourism also joined the meeting. In view of the recent "3A Holidays" incident, we have formally requested the TIC to study thoroughly how to strengthen the 10 measures for regulation of Mainland inbound tours, including strengthening regulation on accommodation arrangements for Mainland inbound tours and conducting random checks on tour confirmation agreements, etc. After the TIC has ironed out details of the new measures, we will liaise with the China National Tourism Administration and solicit co-operation from related tourism authorities.

On the other hand, the Government announced in end-2011 to establish the Travel Industry Authority (TIA) to take over the current regulatory and licensing functions of the TIC and the Travel Agents Registry. Targets of regulation include travel agents, tour escorts and tourist guides. In the past year, we have been actively carrying out preparation work for the establishment of the TIA. We plan to report to the Legislative Council Panel on Economic Development on the progress in mid-2013. It is expected that the draft legislation for the establishment of the TIA could be introduced into the Legislative Council around mid-2014. In view of the problems arising from Mainland inbound tours in recent years, when drafting the new legislation, we will update and strengthen existing legal provisions so that the TIA could tackle the problems in a more forceful way in future.

We will carry out the above work with existing resources.

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>26.3.2013</u>

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

**CEDB(CIT)087**

Question Serial No.

0749

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:

It is noted in Programme (6) that the Commerce, Industry and Tourism Branch co-ordinated with relevant government departments and the tourism sector to facilitate the smooth operation of the Hong Kong Wetland Park and Ngong Ping 360. Please inform this Council the specific measures taken by the Government and the expenditure involved in tackling the incidents involving Ngong Ping 360 and in improving its monitoring and incident reporting mechanisms in the past 3 years (i.e. 2010, 2011 and 2012).

Asked by: Hon. LAM Tai-fai

Reply:

The Government attaches great importance to the operation and service standards of the Ngong Ping 360 (NP360) ropeway. In accordance with the requirements of the Aerial Ropeways (Safety) Ordinance, the Electrical and Mechanical Services Department (EMSD) ensures the safe operation of the NP360 through conducting audit inspections on the maintenance work, testing and annual survey of the cable car system, as well as sample checking of its operation and maintenance procedures and records, etc. In light of the incidents occurred in the past three years, the EMSD together with the NP360 have implemented the following improvement measures:

- conducting independent review on the maintenance regime, so as to improve its operation and maintenance practices, such as enhancing its condition-based monitoring system, strengthening the manpower and training of its operation and maintenance teams;
- refining its reporting mechanism and procedures so as to enable timely report of incidents, and better response and handling of incidents; and
- conducting regular meetings with the management of the NP360 so as to monitor the progress of implementation of the improvement measures and review the results of such measures.

In addition, targeting the NP360's inadequacies in its contingency response mechanism and communication arrangements, the Tourism Commission (TC) together with relevant government departments (including the EMSD, the Transport Department, the Fire Services Department and the Police) have instructed the NP360 to put in place a series of improvement measures. These include updating all its contingency response manuals, flexibly deploying emergency buses in carrying passengers leaving Ngong Ping, upgrading the in-cabin emergency packs, etc. For communication arrangements, the NP360 has enabled live announcements from its control centre to the cabins, and has engaged the service of a hotline centre for providing multiple hotlines during incidents. Besides, the NP360 has strengthened its communication with the travel trade by establishing a database to facilitate updating the Hong Kong Tourism Board, the Travel Industry Council of Hong Kong, local tour guides, etc via RSS Feed, telephone calls and SMS. These measures have helped to raise the standard of service of the NP360.

In the past three years, the EMSD spent \$1.2 million (2010-11), \$1.5 million (2011-12) and \$1.5 million (2012-13) in enforcing aerial ropeway safety. The TC monitored the implementation of the above improvement measures of NP360 with existing resources. No additional expenses were incurred.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)088**

Question Serial No.

3753

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

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 provision for 2013-14 is \$77.8 million (i.e. 501.9%) higher than the revised estimate for 2012-13. This is mainly due to the provision for the establishment and operation of the Competition Commission. In this connection, will the Administration inform this Committee of:

- (a) the breakdown of the expenditure items under the provision \$77.8 million, including the estimated salaries of various ranks, operational costs, office rentals and staff costs;
- (b) the details and the expenditure involved in the one post to be created in 2013-14.

Asked by: Hon. LAM Tai-fai

Reply:

- (a) The increase in the estimate for 2013-14 by \$77.8 million is mainly due to the provision earmarked for the establishment and operation of the Competition Commission (the Commission) in 2013-14. It caters for the recruitment and employment of the Commission's staff, the preparation and leasing of the Commission's office accommodation as well as research and promotional work of the Commission. The actual expenditure will depend on the progress of the preparatory work relating to the Commission.

- (b) The preparatory work for the establishment of the Commission is carried out through the staff establishment under Head 152. A time-limited post of Senior Treasury Accountant will be created in 2013-14 to advise the Commission on matters pertaining to the setting up of its financial management and accounting control systems and on other relevant financial, accounting and procurement matters. The provision for this post is \$1.1 million.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)089**

Question Serial No.

3784

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 Financial Secretary stated in his Budget Speech that, for continuous enhancement of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) mechanism, the Chief Executive had announced that the HKSAR Government and the Ministry of Commerce would set up a joint working group to assist the sectors concerned to solve problems they encountered in gaining access to the Mainland market under CEPA. What are the details of the work the Administration has done so far in that regard, and the expenditure and manpower involved? Has the Administration analysed the nature of the problems that different sectors have encountered in gaining access to the Mainland market, and the reasons why the problems remain unsolved? If yes, what are the details? If not, what are the reasons?

Asked by: Hon. LAM Tai-fai

Reply:

The Government attaches great importance to the effective implementation and further liberalisation of CEPA. We have been working closely with the Mainland authorities at central, provincial and municipal levels to address and follow up on problems encountered by Hong Kong enterprises in using CEPA liberalisation measures 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 to disseminate information in relation to the promulgation of relevant regulations and implementation details on its CEPA website for the trade's reference. Hong Kong enterprises can also seek advice on the regulatory regime and application details of the relevant service industries in the Mainland from the Hong Kong Trade Development Council China Business Advisory Unit, which comprises representatives from the Ministry of Commerce, Guangdong Province and Shanghai Municipality. If Hong Kong enterprises encounter difficulties in using CEPA measures, they can approach TID, offices of the Government of the Hong Kong Special Administrative Region in the Mainland, or the relevant bureaux and departments. We will render assistance as appropriate having regard to the nature of the problems involved.

However, in making use of the CEPA benefits in entering the Mainland market, Hong Kong business enterprises are still required to comply with the rules and regulations of the Mainland in making applications for setting up business, registering for practice or operating a business. As gathered from the trade by different bureaux and departments of the HKSAR Government, the problems in implementing the liberalisation measures in certain service sectors include delay in the promulgation of the laws and regulations and implementation details, insufficient knowledge of the new measures among local officials in the Mainland, differences in the systems and regulatory regimes governing professional services between the two places, and cumbersome and time-consuming application procedures, etc..

In order to enhance the existing mechanism for the implementation of CEPA, the Chief Executive has announced in the Policy Address that the HKSAR government and the Central People's Government will set up a joint working group. The joint working group will, according to the feedback from the sectors concerned, provide targeted assistance to sectors which have encountered relatively more barriers, and help them resolve CEPA implementation problems in different places.

The CEPA-related work outlined above is carried out by different 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 further liberalisation and implementation of liberalisation measures under CEPA; and individual bureaux and departments deal with liberalisation and specific implementation issues in the relevant service sectors. The manpower and financial resources involved in the work are absorbed by relevant bureaux or departments. We do not have information on the actual amount.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013



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

**CEDB(CIT)090**

Question Serial No.

3785

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:

Under Programme (6), provision for 2013-14 is \$77.8 million (53.1%) higher than the revised estimate for 2012-13. This is mainly due to increased provision arising from the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal. What are the specific uses of the \$77.8 million? Please provide a detailed breakdown on the estimated expenditure.

Asked by: Hon. LAM Tai-fai

Reply:

The increase in the estimated provision under this programme in 2013-14 is mainly due to increased provision arising from the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal following its commissioning in June 2013, which amounts to \$79.234 million. It covers the maintenance of electrical and mechanical facilities of the terminal (\$61.559 million), property management services for communal areas (\$4.111 million), and public utility charges such as electricity charges for communal areas and facilities (\$13.564 million).

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

Examination of Estimates of Expenditure 2013-14

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

Reply Serial No.

**CEDB(CIT)091**

Question Serial No.

3786

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:

It is stated in paragraph 41 (page 15) of the Budget Speech that in the coming few years, large-scale tourist facilities will come on stream. The Administration believes that the tourism industry will continue to flourish. As such, please inform this Committee of the details of the large-scale tourist facilities that will come into operation in the following 3 years (since 2013-14):

Project	Completion Date	Capital Input	Visitor Capacity	Target Visitors (Overseas/ Mainland)
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Asked by: Hon. LAM Tai-fai

Reply:

Details of the large-scale tourist facilities that will come into operation in the following 3 years (since 2013-14) are as follows :

2013-14

Project	Completion Date	Capital Input	Visitor Capacity	Target Visitors (Overseas/ Mainland)
Kai Tak Cruise Terminal	June 2013 (The terminal building and the first berth)	\$8,156 million (the whole project)	3 000 passengers per hour (Clearance capacity of the Customs, Immigration, Quarantine and Police facilities)	Both overseas and Mainland visitors

2014-15

Project	Completion Date	Capital Input	Visitor Capacity	Target Visitors (Overseas/ Mainland)
Kai Tak Cruise Terminal	Mid-2014 (The second berth)	Included in the capital input of the whole Kai Tak Cruise Terminal project for 2013-14	3 000 passengers per hour (Clearance capacity of the Customs, Immigration, Quarantine and Police facilities)	Both overseas and Mainland visitors
Aberdeen Tourism Project	Within 2014	\$288.1 million	No relevant figure	Both overseas and Mainland visitors

2015-16

Project	Completion Date	Capital Input	Visitor Capacity	Target Visitors (Overseas/ Mainland)
Nil				

Name in block letters: ANDREW HY WONG  
 Post Title: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)  
 Date: 26.3.2013

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

**CEDB(CIT)092**

Question Serial No.

0266

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

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 2013-14 estimated provision for the Hong Kong Trade Development Council (TDC) is \$389.5m. Would the Bureau give a detailed account of the resource injection and implementation of the following initiatives:

- (1) Sharpen the TDC's capabilities to serve and nurture a new breed of small and medium enterprises (SMEs);
- (2) Strengthen the TDC's entrepreneurial programme to better support the younger generation of SMEs; and
- (3) Help SMEs explore new production areas involving lower cost.

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

Small and medium-sized enterprises (SMEs) have all along been the focus of the services of the Hong Kong Trade Development Council (TDC). TDC also endeavours to nurture the new generation of SMEs, which have been established for less than three years generally. TDC will pursue the following work in 2013-14:-

- (1) TDC will continue to enhance the capabilities of the new generation of SMEs through the following services:-
  - to organise seminars in collaboration with the Hong Kong Federation of Youth Groups to promote entrepreneurship; and to organise the "TDC Trade Ambassador Programme" in collaboration with local tertiary institutes;

- to enhance the support services provided by the SME Centre such as the advisory services for SMEs as well as the organisation of regular workshops and seminars on entrepreneurship;
  - to provide SMEs with the latest market intelligence through research reports, digitised Research Portal, electronic newsletters and trade publications; and
  - to organise a series of seminars, workshops and training courses for SMEs to enhance their understanding of the latest market information, trade regulations as well as various techniques in penetrating into the Mainland domestic market and brand building.
- (2) To strengthen the entrepreneurial programme and to assist SMEs to develop their marketing capabilities, TDC will implement the following measures to support SMEs in 2013-14:-
- to enhance its customer database infrastructure, especially information on importers, distributors, retailers and e-tailers in emerging markets, as well as to enrich the information database on brands licensors, franchisors and information technology companies in mature markets;
  - to open offices in Nanjing and Chongqing to provide better support for SMEs interested in exploring the markets of the Jiangsu Province and the western part of our country. Moreover, TDC has sent a full time staff to work in its Consultant Office in Jakarta of Indonesia;
  - to open new “Design Gallery” shops in Wuhan and Qingdao in 2013-14, and Chengdu in 2014-15, in order to further expand the network of “Design Gallery” in Mainland China. Besides, TDC is collaborating with a famous department store group in Mainland China – the New World Department Store, to open a series of “Design Gallery” inside the stores under the concept of “shop-in-shop”;
  - to organise two special events for start-ups and SMEs, namely the “Entrepreneurship Day” in May and the “World SME Expo” in December and to provide various business support services for them;
  - to offer discounted booths in selected fairs to lower the entry threshold for local start-ups. For example, “Economic Booth” with smaller booth size and “Cubic Showcase” for product display with company information are introduced to enable new enterprises with less resources to participate and promote their products in international fairs. More than 500 SMEs have benefited from these new initiatives since their introduction in October 2010. TDC will continue to provide these services in response to market demand; and
  - to introduce the Small-Order Zone in its local trade fairs in response to the small orders purchasing mode for buyers from emerging markets. Over 1 200 suppliers have participated in this initiative since its introduction in April 2012, which has resulted in more than 80 000 business matchings.
- (3) In view of the rising production costs in the Pearl River Delta region, TDC 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. Major activities include the organisation of trade missions to Myanmar, Indonesia and Vietnam etc., so as to help Hong Kong producers to assess the suitability of these places as alternative manufacturing bases.

The above are part of the work covered under Programme (3). We do not have separate breakdown of expenditures for each of them.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)093**

Question Serial No.

3959

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:

How many officers in the Bureau are responsible for the implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and what is the total expenditure incurred?

Asked by: Hon. LEUNG Kwok-hung

Reply:

The Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) is responsible for formulating the overall policy on CEPA. The Trade and Industry Department under the Bureau oversees the discussion between the related bureaux and departments and the Mainland government ministries on further liberalisation measures under CEPA, and the implementation of the announced liberalisation measures. Individual bureaux and departments deal with liberalisation and specific implementation issues in the relevant service sectors. The manpower and financial resources involved in the work are absorbed by relevant bureaux or departments. The officials of this Bureau dealing with CEPA have to take up other duties and there is no dedicated team responsible for the CEPA policy. There is no breakdown to account for the expenditure involved.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)094**

Question Serial No.

3960

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:

Regarding the Mega Events Fund under the purview of the Bureau, what is the total amount of funds recovered during the past few years (up to 2012-13)?

Asked by: Hon. LEUNG Kwok-hung

Reply:

The Mega Events Fund (MEF) was established in 2009, following the funding approval of the Finance Committee of the Legislative Council. As at end of February 2013, a total of 20 MEF supported events have been completed. Among these events, 2 had generated a surplus and a total sum of around \$1.3 million was returned accordingly.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)095**

Question Serial No.

1087

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:

Currently, there are about 190 hotels in Hong Kong, providing more than 62 000 rooms. The Government estimates that the total number of hotels will increase by nearly 50 to almost 240 in 2016, supplying over 71 000 rooms, an increase of 9 000 rooms. However, a developer recently sold its hotel rooms individually, and similar sales may follow. What is the area of hotel sites that can be offered for sale in the coming three years (i.e. 2013-14, 2014-15 and 2015-16)? How will the Administration ensure adequate supply of hotels to accommodate the increasing growth in visitor arrivals?

Asked by: Hon. LEUNG Mei-fun, Priscilla

Reply:

The Secretary for Development announced the 2013-14 Land Sale Programme on 28 February 2013 which includes the hotel site at Murray Building in Central. The site will be sold between April and June 2013, providing about 300 hotel rooms. The Land Sale Programme also includes 9 Commercial/Business sites, which can provide about 330 000 square meters of gross floor area. Developer can choose to apply for planning permission (if applicable) for building hotels on these sites.

As for the hotel sites available for sale in 2014-15 and 2015-16, the Government will announce the 2014-15 and 2015-16 Land Sale Programme in early 2014 and 2015 respectively. The Land Sale Programme will include information concerning hotel sites available for sale.

The Government has been taking a multi-pronged approach to increase hotel room supply. Apart from the “hotel only” scheme, the Government will continue to implement related existing policies, such as the revitalization of industrial buildings and historic buildings for hotel use. On the other hand, our two flagship theme parks (i.e. Ocean Park and the Hong Kong Disneyland) will continue to follow up on their hotel development plans. In addition, developers could convert Commercial/Business sites for hotel use through applying for planning permission (if applicable). The Government will continue to liaise with the stakeholders concerned and the hotel trade, and closely monitor the supply and demand situation of the hotel market in Hong Kong.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)096**

Question Serial No.

3882

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:

On the training front, a task force will be set up by the Government to study the labour development in the retail industry.

What are the disciplines of the professionals to be included in the task force?

Asked by: Hon. LEUNG Yiu-chung

Reply:

The Task Force on Manpower Development of the Retail Industry is appointed by the Financial Secretary. Members are drawn from a wide range of background and interests, including persons connected with different sectors within the industry, representatives of relevant Government Bureaux and Vocational Training Council, as well as academics and individuals from outside the industry, with Professor Andrew Chan Chi-fai of the Chinese University of Hong Kong as the Chairperson.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)097**

Question Serial No.

2439

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:

Regarding the BUD Fund set up to support the development of small and medium-sized enterprises, please provide information on the following for 2012-13 (starting June 2012) :

- (a) The number of applications approved, and the approval rate;
- (b) The total amount of financial assistance granted to the approved applications; and
- (c) Detailed information on each approved application in table form as prescribed below.

Type of Trade	Annual Turnover of Enterprise (HK\$)	Nature of Project	Financial Assistance Granted (HK\$)

Asked by: Hon. LEUNG, Kenneth

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012. Subject to the financial position of the BUD Fund, the fund will be open for applications for five years. During the tenure of the BUD Fund, each enterprise may obtain funding for a maximum of three approved projects under the Enterprise Support Programme (ESP), with a cumulative funding ceiling per enterprise at \$500,000. The maximum amount of grant for each application under the Organisation Support Programme (OSP) is \$5 million, and there is no limit on the number of funding applications.

Up to the end of February 2013, we have processed 297 and 37 applications under the ESP and the OSP respectively, and 54<sup>1</sup> and 17 applications were approved, with an average amount of grants of \$394,000 and \$3.57 million respectively. The highest amount of funding approved are \$500,000 and \$5 million respectively, while the lowest amount of funding approved are \$15,000 and \$914,400 under the ESP and the OSP respectively. The total amount of funding approved is about \$81.9 million. We are now processing 222 and 17 applications under the ESP and OSP respectively. Excluding 70 applications subsequently withdrawn by enterprises/organizations, on the basis of all approved applications and applications granted conditional approval, the approval rate of the Fund is about 44.7%.

As regards the 54 and 17 applications approved under the ESP and OSP respectively, the details of each case are set out below-

**Enterprise Support Programme (54 applications)**

	<b>Industry*</b>	<b>Annual Turnover of Enterprise (HK\$)</b>	<b>Project Nature</b>	<b>Funding Approved (HK\$)</b>
<i>Manufacturing industries</i>				
1.	Textiles & Clothing	Not provided by applicant	Branding, Upgrading & Domestic Sales	61,500
2.	Industrial Machinery	Not provided by applicant	Branding & Domestic Sales	114,500
3.	Plastics	Not provided by applicant	Upgrading & Domestic Sales	168,466.5
4.	Metals Products	Not provided by applicant	Upgrading	200,875
5.	Gifts	Not provided by applicant	Branding	220,000
6.	Watches & Clocks	Not provided by applicant	Branding, Upgrading & Domestic Sales	259,152.5
7.	Household Products	Not provided by applicant	Branding, Upgrading & Domestic Sales	345,000
8.	Herbal Medicine & Health Supplement Products	Not provided by applicant	Branding, Upgrading & Domestic Sales	370,750
9.	Electronics	Not provided by applicant	Branding, Upgrading & Domestic Sales	376,200
10.	Electronics	Not provided by applicant	Branding, Upgrading & Domestic Sales	411,000
11.	Environmental Products	Not provided by applicant	Branding, Upgrading & Domestic Sales	473,688

<sup>1</sup> Excluding 47 applications that were granted conditional approval. The final approval of such applications and the amount of grants will be subject to further information submitted by the applicants.

	<b>Industry*</b>	<b>Annual Turnover of Enterprise (HK\$)</b>	<b>Project Nature</b>	<b>Funding Approved (HK\$)</b>
<b><i>Manufacturing industries</i></b>				
12.	Industrial Machinery	Not provided by applicant	Upgrading	480,000
13.	Electrical Appliances	Not provided by applicant	Upgrading	500,000
14.	Textiles & Clothing	150,000,000	Upgrading	500,000
15.	Textiles & Clothing	64,000,000	Upgrading & Domestic Sales	500,000
16.	Toys	Not provided by applicant	Branding & Domestic Sales	500,000
17.	Watches & Clocks	Not provided by applicant	Branding, Upgrading & Domestic Sales	500,000
18.	Watches & Clocks	Not provided by applicant	Branding & Domestic Sales	500,000
19.	Shoes	30,000,000	Branding, Upgrading & Domestic Sales	500,000
20.	Jewellery	Not provided by applicant	Branding, Upgrading & Domestic Sales	500,000
21.	Skin Care Products	Not provided by applicant	Branding	500,000
22.	Battery Packs and Chargers	Not provided by applicant	Branding, Upgrading & Domestic Sales	500,000
23.	Bags and Cases	Not provided by applicant	Branding, Upgrading & Domestic Sales	500,000
<b><i>Non-manufacturing industries</i></b>				
24.	Wholesale & Retail	Not provided by applicant	Upgrading & Domestic Sales	15,000
25.	Wholesale & Retail	Not provided by applicant	Branding, Upgrading & Domestic Sales	25,000
26.	Import & Export Trade	Not provided by applicant	Branding, Upgrading & Domestic Sales	73,750
27.	Import & Export Trade	Not provided by applicant	Branding	181,000
28.	Information Technology	Not provided by applicant	Branding & Domestic Sales	197,600
29.	Information Technology	Not provided by applicant	Branding & Domestic Sales	220,000
30.	Wine Trading	Not provided by applicant	Branding, Upgrading & Domestic Sales	234,377.5
31.	Logistics	Not provided by applicant	Upgrading & Domestic Sales	352,500
32.	Logistics	Not provided by applicant	Upgrading & Domestic Sales	357,300
33.	Information Technology	Not provided by applicant	Branding & Domestic Sales	380,000

	<b>Industry*</b>	<b>Annual Turnover of Enterprise (HK\$)</b>	<b>Project Nature</b>	<b>Funding Approved (HK\$)</b>
34.	Wholesale & Retail	Not provided by applicant	Branding & Domestic Sales	389,400
35.	Design & Franchising	Not provided by applicant	Upgrading & Domestic Sales	450,000
36.	Professional Services (including legal & accounting services)	2,485,000	Branding, Upgrading & Domestic Sales	458,066
37.	Import & Export Trade	Not provided by applicant	Branding & Domestic Sales	464,250
38.	Wholesale & Retail	Not provided by applicant	Branding, Upgrading & Domestic Sales	485,000
39.	Advertisement, Sales & Marketing	Not provided by applicant	Branding, Upgrading & Domestic Sales	500,000
40.	Advertisement, Sales & Marketing	Not provided by applicant	Branding, Upgrading & Domestic Sales	500,000
41.	Creative Industries (including product image and design services)	Not provided by applicant	Branding & Domestic Sales	500,000
42.	Creative Industries (including product image and design services)	Not provided by applicant	Upgrading & Domestic Sales	500,000
43.	Import & Export Trade	Not provided by applicant	Branding & Domestic Sales	500,000
44.	Import & Export Trade	400,000	Branding, Upgrading & Domestic Sales	500,000
45.	Information Technology	Not provided by applicant	Branding, Upgrading & Domestic Sales	500,000
46.	Professional Services (including legal & accounting services)	Not provided by applicant	Branding, Upgrading & Domestic Sales	500,000
47.	Wholesale & Retail	Not provided by applicant	Branding & Domestic Sales	500,000
48.	Wholesale & Retail	Not provided by applicant	Branding, Upgrading & Domestic Sales	500,000
49.	Wholesale & Retail	Not provided by applicant	Branding & Upgrading	500,000
50.	Wholesale & Retail	Not provided by applicant	Branding & Domestic Sales	500,000
51.	Wholesale & Retail	Not provided by applicant	Branding	500,000
52.	Wholesale & Retail	Not provided by applicant	Upgrading	500,000

	<b>Industry*</b>	<b>Annual Turnover of Enterprise (HK\$)</b>	<b>Project Nature</b>	<b>Funding Approved (HK\$)</b>
53.	Wholesale & Retail	Not provided by applicant	Branding & Domestic Sales	500,000
54.	Health Products Trading	Not provided by applicant	Branding, Upgrading & Domestic Sales	500,000

\* Applicant enterprises involved in more than one industries are categorised based on their core business or the business with a larger scale.

### **Organisation Support Programme (17 applications)**

	<b>Industry</b>	<b>Project Nature</b>	<b>Funding Approved (HK\$)</b>
1.	Printing and publishing	Branding and Upgrading	914,400
2.	Transportation	Branding and Upgrading	1,391,400
3.	Food and beverage	Branding and Domestic Sales	2,309,400
4.	Other manufacturing industries	Branding and Domestic Sales	2,534,040
5.	Other manufacturing industries	Domestic Sales	3,382,884
6.	Jewellery	Branding and Domestic Sales	3,455,730
7.	Electronics	Branding and Domestic Sales	3,462,300
8.	Plastics	Branding and Domestic Sales	3,820,500
9.	Information technology	Branding	3,870,900
10.	Information technology	Branding and Domestic Sales	3,914,100
11.	Medical and optical devices	Domestic Sales	4,144,455
12.	Other manufacturing industries	Branding and Domestic Sales	4,204,800
13.	Other non-manufacturing industries	Upgrading and Domestic Sales	4,429,058
14.	Electronics	Branding	4,489,200
15.	Enterprises in general	Domestic Sales	4,542,750
16.	Information technology	Branding and Domestic Sales	4,774,500
17.	Enterprises in general	Branding and Domestic Sales	5,000,000

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)098**

Question Serial No.

2440

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:

Regarding the Small and Medium Enterprises Financing Guarantee Scheme, please provide the following information for the last two financial years, i.e. 2011-12 and 2012-13 (starting from January 2011):

- (a) the number of applications, number of applications approved and approval rate;
- (b) the total loan amount of the approved applications and average loan amount per application;
- (c) whether there have been default cases relating to the loans; if yes, what is the default rate?
- (d) the annual turnover of enterprises whose applications for loans have been approved.

<b>Annual Turnover of Enterprises</b>	<b>2011-2012 (No. of Applications)</b>	<b>2012-2013 (No. of Applications)</b>
Below \$5 million		
\$5 million - less than \$8 million		
\$8 million - less than \$10 million		
\$10 million - less than \$15 million		
\$15 million - less than \$30 million		
\$30 million or above		

Asked by: Hon. LEUNG, Kenneth

Reply:

(a), (b) The Hong Kong Mortgage Corporation Limited (HKMC) launched the market-based SME Financing Guarantee Scheme (SFGS) since 1 January 2011 to provide 50%, 60% and 70% guarantees to eligible Hong Kong enterprises at the payment of a guarantee fee. As at 28 February 2013, the 50%, 60% and 70% guarantee products of the SFGS have received and approved over 280 and 260 applications respectively. Excluding 22 applications withdrawn by lenders or borrowers, the overall success rate of applications is about 99.6%, involving a total loan amount and a total guarantee amount of about \$900 million and \$600 million respectively. The average loan amount is about \$3.5 million.

In the light of the prevailing uncertain external economic environment, to tide enterprises over financing difficulties due to a possible credit crunch, the HKMC launched the special concessionary measures under the SFGS on 31 May 2012 to provide 80% loan guarantee at a concessionary guarantee fee rate. The Government has provided a total loan guarantee commitment of \$100 billion for the measures. As at 28 February 2013, the HKMC has received over 6 800 applications and approved over 5 900 applications. Excluding 597 applications under processing and 327 applications withdrawn by lenders or borrowers, the overall success rate of applications is about 99.5%, involving a total loan amount and a total guarantee amount of over \$26 billion and \$20 billion respectively. The average loan amount is about \$4.4 million.

(c) As at 28 February 2013, the HKMC has received six default claims for the 50%, 60% and 70% guarantee products under the SFGS. The claim amount involved is about \$6.9 million and the default rate<sup>1</sup> is about 1.14%. For the special concessionary measures, the HKMC has received one default claim. The claim amount involved is about \$8.7 million and the default rate is about 0.04%.

(d) The annual business turnover of enterprises with loans approved under the 50%, 60% and 70% guarantee products and the special concessionary measures of the SFGS is as follows:

<b>Annual Business Turnover</b>	<b>Applications approved under 50%, 60% and 70% Guarantee Products of the SFGS (1 January 2011 to 28 February 2013)</b>	<b>Applications approved under Special Concessionary Measures of the SFGS (31 May 2012 to 28 February 2013)</b>
< HK\$5 million	10	223
≥ HK\$5 million	12	174
< HK\$8 million		
≥ HK\$8 million < HK\$10 million	5	113

<sup>1</sup> Default rate = Net claims amount / Total amount of guarantees approved

<b>Annual Business Turnover</b>	<b>Applications approved under 50%, 60% and 70% Guarantee Products of the SFGS (1 January 2011 to 28 February 2013)</b>	<b>Applications approved under Special Concessionary Measures of the SFGS (31 May 2012 to 28 February 2013)</b>
≥ HK\$10 million < HK\$15 million	23	318
≥ HK\$15 million < HK\$30 million	50	908
≥ HK\$30 million < HK\$50 million	29	815
≥ HK\$50 million	135	3 353
<b>Total</b>	<b>264</b>	<b>5 904</b>

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)099**

Question Serial No.

2445

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:

Concerning the two aspects below, what are Hong Kong's top ten industries? Please provide relevant data in the tables.

Contribution to Gross Domestic Product (GDP)

Ranking	Industry	Contribution to GDP (HK\$)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		

Percentage of Hong Kong's total labour force

Ranking	Industry	No. of employees	Percentage of Hong Kong's total labour force (%)
1			
2			
3			
4			

Ranking	Industry	No. of employees	Percentage of Hong Kong's total labour force (%)
5			
6			
7			
8			
9			
10			

As indicated in the Budget, the pillar industries must be strengthened and the development of new industries must be supported so as to reinforce Hong Kong's economic base and create more career choices. In what way will the Administration promote the development of industries other than the four pillar industries? What are the specific work and targets?

Asked by: Hon. LEUNG, Kenneth

Reply:

According to 2011 Gross Domestic Product (GDP) by Economic Activity, the top ten industries with the highest contribution to the GDP are as follows:

Ranking	Industry	Contribution to GDP (HK\$ million)
1	Import and export trade	401,558
2	Public administration, social and personal services	313,612
3	Financing and insurance	306,787
4	Transportation, storage, postal and courier services	120,034
5	Professional and business services	107,952
6	Real estates	106,014
7	Wholesale and retail trades	91,342
8	Accommodation and food services	66,421
9	Construction	65,484
10	Information and communications	62,952

According to 2011 Composite Employment Estimates, the top ten industries with the largest share of employment are as follows:

Ranking	Industry	Employment of the industry	Share of total employment
1	Public administration, social and personal services	916 000	25.6 %
2	Import and export trade	519 600	14.5 %
3	Wholesale and retail trades	368 600	10.3 %
4	Professional and business services	340 100	9.5 %

<b>Ranking</b>	<b>Industry</b>	<b>Employment of the industry</b>	<b>Share of total employment</b>
5	Transportation, storage, postal and courier services	320 200	8.9 %
6	Construction	271 900	7.6 %
7	Accommodation and food services	266 300	7.4 %
8	Financing and insurance	226 300	6.3 %
9	Real estates	122 100	3.4 %
10	Manufacturing	112 100	3.1 %

As regards promoting the development of different industries, the Economic Development Commission (EDC) led by the Chief Executive will provide visionary direction and advice to the Government on the overall strategy and policy to broaden Hong Kong's economic base and to enhance Hong Kong's economic growth and development; and in particular, it will explore and identify growth sectors or clusters of sectors which present opportunities for Hong Kong's further economic growth, and recommend possible policy and other support for these industries. Its four Working Groups will provide concrete advice on the policy and support measures that the Government should put in place in respect of the industries under their respective purviews. The specific work to be undertaken by the EDC and its Working Groups will be subject to their discussions.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)100**

Question Serial No.

4512

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:

- (a) Currently, the contribution of the entire tourism industry to the gross domestic product (GDP) is 4.5%. Please provide data on the respective percentage contribution of the tourism-related retail, catering and transport sectors for the past 3 years (i.e. 2010-11, 2011-12 and 2012-13).
- (b) What is the percentage share of visitor spending in the contribution of the entire retail sector to the GDP? What about the catering and transport sectors? Please provide data for the past 3 years (i.e. 2010-11, 2011-12 and 2012-13).
- (c) What specific policies or measures does the Administration have for the next financial year (2013-14) to facilitate the development of tourism in Hong Kong and minimise its adverse impact on the community and our people's livelihood? What are the relevant estimated expenditures and staffing provision?

Asked by: Hon. LEUNG, Kenneth

Reply:

- (a) & (b) According to the latest figures released by the Census and Statistics Department, the percentage contribution of value added of tourism and related industries to the Gross Domestic Product (GDP) from 2009 to 2011 is as follows –

	% share in GDP in 2009	% share in GDP in 2010	% share in GDP in 2011
Tourism	3.2%	4.3%	4.5%
• Inbound Tourism	2.5%	3.4%	3.7%

	% share in GDP in 2009	% share in GDP in 2010	% share in GDP in 2011
<b>- Retail trade</b>	<b>0.8%</b>	<b>1.0%</b>	<b>1.1%</b>
- Accomodation services	0.6%	0.9%	1.2%
<b>- Food and beverage services</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.4%</b>
<b>- Cross-boundary passenger transport services</b>	<b>0.5%</b>	<b>0.8%</b>	<b>0.6%</b>
- Others	0.3%	0.4%	0.4%
● Outbound Tourism	0.7%	0.9%	0.7%
- Travel agency, reservation service and related activities	0.3%	0.3%	0.3%
<b>- Cross-boundary passenger transport services</b>	<b>0.4%</b>	<b>0.5%</b>	<b>0.4%</b>

Figures for 2012 are not yet available.

- (c) The Government is assessing the overall capacity of Hong Kong to receive tourists. The areas taken into account include the handling capacity of boundary control points, receiving capacity of tourist attractions and the public transport system, supply of hotel rooms, economic effects of the Individual Visit Scheme, and its impact on the livelihood of the community, etc. Upon completion of the assessment, the Hong Kong Special Administrative Region Government will commence liaison with the relevant Mainland authorities to exchange views in this aspect. All policy bureaux and government departments responsible for the above areas are involved in the assessment work. Regarding the tourism aspect, the expenditure on such work has been subsumed into the provision for 2013-14 for the Commerce, Industry and Tourism Branch. It is difficult to quantify such expenditure separately.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)101**

Question Serial No.

2248

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

Programme:

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 Bureau will create 5 additional non-directorate posts in 2013-14. What are the reasons for the creation and their respective ranks and salaries?

Asked by: Hon. LIAO Cheung-kong, Martin

Reply:

The details of the five new posts to be created in 2013-14 are as follows:

<b>Post title</b>	<b>Number of post</b>	<b>Total salary provision (\$)</b>	<b>Job nature and area of work</b>
Senior Administrative Officer (time-limited for 24 months)	1	1,125,120	To cope with the significant increase in the policy work relating to the provision of secretariat services and relevant support to the new Economic Development Commission
Senior Treasury Accountant (time-limited for 18 months)	1	1,125,120	To advise the Competition Commission on matters pertinent to the setting up of its financial management and accounting control systems and on other relevant financial, accounting and procurement matters.

<b>Post title</b>	<b>Number of post</b>	<b>Total salary provision (\$)</b>	<b>Job nature and area of work</b>
Assistant Clerical Officer	2	428,040	To enhance the general administrative support to this branch.
Clerical Assistant	1	166,920	
Total posts to be created:	5		

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)102**

Question Serial No.

2249

Head: 152 Government Secretariat: Commerce and Subhead (No. & title):  
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 revised estimate for 2012-13 shows a substantial decrease of 39.2% when compared with the original estimate for 2012-13. What are the reasons?

Asked by: Hon. LIAO Cheung-kong, Martin

Reply:

Under Programme (1), the revised estimate for 2012-13 is \$4.7 million (39.2%) lower than the original estimate for 2012-13. This is mainly because provision earmarked for filling the positions of Under Secretary for Commerce and Economic Development and Political Assistant was included in the original estimate for 2012-13. Since the vacancies have not yet been filled as at the time of preparing the revised estimate, the unused provision was not included in the revised estimate for 2012-13.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)103**

Question Serial No.

2250

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

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:

Regarding the performance indicator for local fairs, the actual number of Mainland and overseas buyers is 358 692 in 2012, representing a decrease of more than 15 000 or 4% when compared with 2011. What are the reasons? The estimated number for 2013, however, rises again to 366 000. What are the reasons?

Asked by: Hon. LIAO Cheung-kong, Martin

Reply:

The actual number of Mainland and overseas buyers participated in the local trade fairs organized by the Hong Kong Trade Development Council (TDC) in 2012 decreased when compared with the respective figure in 2011. This is mainly due to the decline in number of buyers from mature markets. Due to the global economic downturn, demand for consumption had slowed down. Hence, the number of buyers from European and American countries decreased. In light of the recent gradual stabilising of the economies in Europe and the United States, together with the enhanced promotional work by TDC in the emerging markets to attract more buyers to come to Hong Kong for procurement, TDC estimates that the number of Mainland and overseas buyers participating in its local trade fairs will slightly grow by 2% to about 366 000 in 2013.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)104**

Question Serial No.

2251

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

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 for 2013-14 is substantially higher than the revised estimate for 2012-13 by about \$77 million, accounting for an increase of approximately 500%, due to the provision for the establishment and operation of the Competition Commission, and the creation of one post. How many posts are required to be created under the Commission? What is the estimated annual operating expenditure of the Commission? What is the new post to be created?

Asked by: Hon. LIAO Cheung-kong, Martin

Reply:

In 2013-14, we have earmarked \$82 million under Programme (4) for the establishment and operation of the Competition Commission (the Commission). Resource allocation for subsequent years will be reviewed in light of the implementation of the Competition Ordinance (the Ordinance) as well as the actual operation of the Commission. Under the Ordinance, the Commission is an independent statutory body and may employ staff and engage other persons on contract for services as it considers necessary to perform its functions. Upon establishment, the Commission will decide on its staff establishment having regard to the operational requirements.

The preparatory work for the establishment of the Commission is carried out through the staff establishment under Head 152. A time-limited post of Senior Treasury Accountant post will be created in 2013-14 to advise the Commission on matters pertaining to the setting up of its financial management and accounting control systems and on other relevant financial, accounting and procurement matters.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)105**

Question Serial No.

2252

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

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 planned number of consumer complaints is 32 000 in 2013, representing an increase of 17% as compared with the actual figure of 2012. Why would the Administration project an increase in the complaint figures in 2013? What are the grounds for making such projections?

Asked by: Hon. LIAO Cheung-kong, Martin

Reply:

The Consumer Council estimates that the total number of complaints in 2013 will be around 32 000, which, when compared with 2012, represents a notable increase. The main reason is that upon the anticipated implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 in 2013, consumers will have a higher awareness and concern about unfair trade practices and hence more complaints may be lodged. The estimated increase has taken account of the number of complaints relating to unfair trade practices received by the Customs and Excise Department, the Communications Authority and the Consumer Council in previous years.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)106**

Question Serial No.

2253

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

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 planned number of in-depth studies is 25 in 2013, representing a significant decrease of 37.5% as compared with the 40 in-depth studies in 2011. What are the reasons for that?

Asked by: Hon. LIAO Cheung-kong, Martin

Reply:

The Consumer Council (CC) conducts product tests, consumer surveys, in-depth studies and studies of general interest every year. The resources required are deployed according to the respective needs and scales of the researches and studies etc. arranged for the year.

The number of in-depth studies in 2013-14 is yet to be confirmed and may be adjusted depending on the latest market developments. If the demand for in-depth studies increases, the CC will deploy resources to handle them.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)107**

Question Serial No.

2254

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

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 estimated expenditure for 2013-14 is \$89 million, or 11.5% higher than the original estimate for 2012-13. According to the Bureau, this is due to the provision of additional subvention in support of an enhanced role of the Consumer Council after the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012. Does it include more provision for the Consumer Legal Action Fund?

Asked by: Hon. LIAO Cheung-kong, Martin

Reply:

The main reason for the 11.5% increase of the estimated financial provision for 2013-14 over the original financial provision for 2012-13 is the additional subvention for the increased manpower required in support of the Consumer Council's enhanced role upon the anticipated implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 in 2013. Another main reason for the increase is the pay adjustment for the staff of the Consumer Council in 2012. The additional subvention is not related to the Consumer Legal Action Fund.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)108**

Question Serial No.

2255

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 revised estimate for 2012-13 is \$146-odd million, an increase of 24% over the original estimate for the same year. What are the reasons? The estimated expenditure for 2013-14 is \$220-odd million, a significant increase of 90% over the original estimate for 2012-13. The Bureau stated that it is due to (increased provision arising from) the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal. Is this expenditure higher than the original estimate? If yes, what are the reasons? What is the additional expenditure?

Asked by: Hon. LIAO Cheung-kong, Martin

Reply:

The increase in the revised estimate under this programme for 2012-13 is mainly due to increased provision arising from the extension of the operation of Mega Events Fund and increased salary expenditure.

The increase in the estimated provision under this programme in 2013-14 is mainly due to increased provision arising from the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal following its commissioning in June 2013, which amounts to \$79.234 million. It covers the maintenance of electrical and mechanical facilities of the terminal (\$61.559 million), property management services for communal areas (\$4.111 million), and public utility charges such as electricity charges for communal areas and facilities (\$13.564 million).

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)109**

Question Serial No.

2256

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

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:

Will Hong Kong Tourism Board carry out marketing activities to support the opening of the Kai Tak Cruise Terminal in 2013? If yes, what is the amount of provision involved?

Asked by: Hon. LIAO Cheung-kong, Martin

Reply:

The Kai Tak Cruise Terminal will commence operation in June 2013. In 2013-14, the major initiatives of the Hong Kong Tourism Board (HKTB) in the promotion of cruise tourism include:

- (a) Strengthening Hong Kong's image as Asia's Cruise Hub
  - (i) Widely promote Hong Kong's advantages in cruise tourism to the trade and media through major regional and international industry fairs and events.
  - (ii) To tie in with the opening of the Kai Tak Cruise Terminal, the HKTB will invite overseas media to cover the relevant news during the opening period and in the second half of the year.
- (b) Encouraging cruise companies to include Hong Kong in their itineraries and stimulate consumer demand for cruise travel
  - (i) Encourage cruise companies to increase the number of ship calls to Hong Kong and to choose Hong Kong as homeport through the co-op marketing fund.

- (ii) Stimulating consumer interest in cruise travel in the Mainland, especially South China, by organising consumer promotion activities and through advertising, public relation initiatives and digital marketing. In addition, there is also a plan to set up designated teams in major Mainland cities, including Guangzhou and Shanghai, to support the development and promotion of cruise tourism business in the Mainland.
- (iii) Roll out promotion activities in such markets as the US and Australia to raise consumer interest in fly-cruise travel to Hong Kong. Furthermore, the HKTB will pilot a scheme to attract corporations and organisations in Mainland China and India to organise charter sailings as incentive programmes, combining Meetings, Incentive Travels, Conventions and Exhibitions (MICE) and cruise travel.

(c) Enhancing onshore experience of cruise passengers

Through the “New Tour Product Development Scheme”, the HKTB will encourage the trade to develop new and innovative shore excursion programmes.

(d) Supporting co-operation between Hong Kong and neighbouring ports

The HKTB will continue to support the Government in strengthening co-operation with other ports in the region to develop regional cruise itineraries and diversified cruise travel products.

The HKTB’s estimated budget for promoting cruise tourism in 2013-14 is about HK\$15.6 million.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)110**

Question Serial No.

1444

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:

One of the duties of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) is to assist the local 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. In respect of this, what major initiatives were adopted by the Administration over the past two years, i.e. 2011-12 and 2012-13? Had any timely assessment been made to assess the effectiveness of the initiatives and response given to the major demands of the local trade. If yes, what are the details? If no, what are the reasons?

Asked by: Hon. LO Wai-kwok

Reply:

In 2011-12 and 2012-13, the Commerce and Economic Development Bureau encouraged and assisted Hong Kong enterprises of various industries 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 the trade's 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 relay to them the trade's views and to discuss with them measures to support the trade;

- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities such as symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade's understanding of the Mainland's new policies, regulations and business environment. TID's website includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland;
- organising promotional activities and trade fairs and organising delegations to visit the Mainland through the Hong Kong Trade Development Council (TDC), 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 Mainland market information through the TDC and the Hong Kong Productivity Council, etc.;
- with regard to financial support, assisting small and medium enterprises (SMEs) through the on-going "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, business restructuring or relocation;
- through the Dedicated Fund on Branding, Upgrading and Domestic Sales launched on 25 June 2012, providing funding support to individual enterprises and non-profit-making organisations, so as to assist enterprises in enhancing their competitiveness and facilitating their business development in the Mainland, and capturing the opportunities arising from the National 12th Five-year Plan; and
- arranging our Mainland Offices to collaborate with trade associations and other organisations to organise "Hong Kong Week" promotional events in the Mainland in 2012 and 2013, in order to promote Hong Kong products and services, with a view to assisting Hong Kong enterprises in building up their brand image and exploring the domestic market.

The Mainland authorities have responded positively to many proposals of the Government and the trade. Various facilitation and support measures were launched in the past few years, including the implementation of "restructuring without stopping production", "consolidated tax return for multiple domestic sales" and streamlining procedures for outward processing. In addition, in 2012, the "Guangdong Foreign-invested Enterprises Commodities Fair" previously held in Dongguan annually has been upgraded to a national expo and renamed as the "China Processing Trade Products Fair", so as to further assist foreign-invested enterprises (including Hong Kong-funded enterprises) in the Mainland in exploring the domestic sales market and promote the upgrading and restructuring of enterprises.

According to the figures provided by the Guangdong Provincial Government, there were about 11 000 enterprises engaged in processing trade (which are not legal persons) as at the end of 2012, of which 7 128 have successfully been restructured into one of the three types of foreign-funded enterprises (about 90% of them are Hong Kong enterprises).

In 2013-14, we will continue to implement the above measures to provide appropriate support and assistance to Hong Kong enterprises in upgrading and restructuring of their operations and promoting domestic sales in the Mainland market. In addition, the TDC will set up more Design Gallery shops in Mainland cities other than Beijing and Guangzhou to offer platforms for Hong Kong enterprises, especially SMEs, to showcase their products and to build up greater awareness of Hong Kong brands in the Mainland.

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.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)111**

Question Serial No.

2462

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:

As mentioned under Matters Requiring Special Attention in 2013-14, the Branch will “continue to work with stakeholders to enhance copyright protection in the digital environment”. Please inform this Committee of the specific plans and estimates involved. Are there any plans to carry out legislative consultations? If not, what are the reasons?

Asked by: Hon. MA Fung-kwok

Reply:

The Administration introduced the Copyright (Amendment) Bill 2011 (the Bill) into the Legislative Council (LegCo) to update our copyright law so that it would endure the test of rapid advances in technology to obviate the need to change the law every time a new communication mode emerges. Besides, the Bill would enable cooperation between copyright owners and online service providers in the fight against online infringement, facilitate new modes of uses such as e-learning. After thorough scrutiny, a LegCo Bills Committee supported the resumption of Second Reading Debate on the Bill with suitable amendments. But owing to other pressing business LegCo had to transact, the Second Reading Debate did not resume and the Bill lapsed upon expiry of the previous term of LegCo.



In view of the complexity of the legislative proposal, the Administration would continue to engage different sectors to address issues of concern, including “parody” and the related copyright issues. We will take into account fully the views of different stakeholders and ensure the continuous effectiveness of the copyright laws in the digital environment. The related work is absorbed by the existing establishment. No additional expenditure is incurred.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)112**

Question Serial No.

1760

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:

Please provide details of the events supported by Mega Events Fund (MEF) using the table below.

Date	Name of Event	Organiser	Funding Allocated	Estimated Expenditure	Number of Attendance	Percentage of Tickets on Public Sale

Asked by: Hon. MO, Claudia

Reply:

The Mega Events Fund (MEF) was established in 2009 following the funding approval of the Finance Committee of the Legislative Council. Since its inception, eight rounds of applications have been invited and a total maximum sum of \$84.7 million has been granted to support 21 mega events. A basic funding principle of the MEF is that the total Government contribution (including the MEF funding) must not exceed 50% of the total cost of the event. The details of the MEF supported events are as follows:

Date of Event	Project title	Organiser	Funding Ceiling	Project Budget	Number of participants	Tickets/ Admission Arrangement
13 November 2009	Swire "Symphony Under the Stars"	Hong Kong Philharmonic Orchestra	\$1.4 million	\$4.26 million	18 000	Free admission

<b>Date of Event</b>	<b>Project title</b>	<b>Organiser</b>	<b>Funding Ceiling</b>	<b>Project Budget</b>	<b>Number of participants</b>	<b>Tickets/ Admission Arrangement</b>
6 - 9 January 2010	Hong Kong Tennis Classic 2010	Hong Kong Tennis Patrons' Association Limited	\$9 million	\$24.3 million	14 320	Need to purchase tickets in advance
26 - 29 March 2010	Mui Wo Water Lantern and Sky Lantern Festival	Hung Shing Festival Preparatory Committee Limited	\$1.5 million	\$6.16 million	49 935	Open event (need to purchase tickets for some of the activities)
27 March – 22 April 2010	Hong Kong 2010 International a cappella Festival	The Hong Kong Federation of Youth Groups	\$0.8 million	\$2.75 million	13 481	Free admission for some of the activities; free tickets were distributed to students for some other activities; and public sale of tickets for some activities.
29 March – 21 April 2010	Hong Kong Musical Festival	Springtime Experimental Theatre Perry Chiu Experimental Theatre Ah Lo Productions Chung Ying Theatre Company	\$2.5 million	\$7.45 million	31 211	Need to purchase tickets in advance

<b>Date of Event</b>	<b>Project title</b>	<b>Organiser</b>	<b>Funding Ceiling</b>	<b>Project Budget</b>	<b>Number of participants</b>	<b>Tickets/ Admission Arrangement</b>
8 April – 30 May 2010	Hope and Glory	The Birch Foundation	\$2 million	\$14.17 million	63 250	Free admission
23-25 July 2010	Hong Kong Dragon Boat Carnival	Hong Kong Dragon Boat Association  Hong Kong Tourism Board	\$5 million	\$15 million	150 461	Free admission
1 January 2011	Record Breaking Dragon and Lion Dance Extravaganza	Hong Kong Dragon and Lion Festival Preparatory Committee	\$1 million	\$2.29 million	60 000	Open event
5-8 January 2011	Hong Kong Tennis Classic 2011	Hong Kong Tennis Patrons’ Association Limited	\$5 million	\$25.2 million	12 802	Need to purchase tickets in advance
11-17 February 2011	Hong Kong Well-wishing Festival	Lam Tsuen Wishing Square Development Limited	\$1.8 million	\$4.12 million	54 639	Open event (need to purchase tickets for some of the activities)
17-19 June 2011	Hong Kong Dragon Boat Carnival 2011	Hong Kong Dragon Boat Association  Hong Kong Tourism Board	\$4 million	\$16 million	215 558	Free admission

<b>Date of Event</b>	<b>Project title</b>	<b>Organiser</b>	<b>Funding Ceiling</b>	<b>Project Budget</b>	<b>Number of participants</b>	<b>Tickets/ Admission Arrangement</b>
25 September – 2 October 2011	Hong Kong International Jazz Festival 2011	Hong Kong Jazz Association	\$3 million	\$9.56 million	40 094	Free admission for some of the activities; free tickets were distributed to students for some other activities; and public sale of tickets for some activities.
28 - 30 October 2011	Hong Kong Cricket Sixes 2011	The Hong Kong Cricket Association	\$3.5 million	\$12.48 million	14 276	Need to purchase tickets in advance
1 - 4 December 2011	UBS Hong Kong Open Championship 2011	Hong Kong Golf Association Limited	\$8 million	\$52.53 million	38 090	Need to purchase tickets in advance
1 January 2012	Dragon and Lion Dance Extravaganza 2012	Hong Kong Dragon and Lion Festival Preparatory Committee	\$1.4 million	\$3.53 million	58 580	Open event
23 January – 6 February 2012	Hong Kong Well-wishing Festival 2012	Lam Tsuen Wishing Square Development Limited	\$1.4 million	\$3.15 million	178 136	Open event (need to purchase tickets for some of the activities)
2-8 July 2012	Hong Kong Dragon Boat Carnival 2012	Hong Kong Dragon Boat Association Hong Kong Tourism Board	\$6.5 million	\$25 million	206 080	Free admission

<b>Date of Event</b>	<b>Project title</b>	<b>Organiser</b>	<b>Funding Ceiling</b>	<b>Project Budget</b>	<b>Number of participants</b>	<b>Tickets/ Admission Arrangement</b>
15 - 18 November 2012	UBS Hong Kong Open Championship 2012	Hong Kong Golf Association Limited	\$15 million	\$50.07 million	40 000	Need to purchase tickets in advance
1 January 2013	Dragon and Lion Dance Extravaganza 2013	Hong Kong Dragon and Lion Festival Preparatory Committee	\$1.4 million	\$4 million	65 100	Open event
10-23 February 2013	Hong Kong Well-wishing Festival 2013	Lam Tsuen Wishing Square Development Limited	\$2.5 million	\$5.11 million	133 410	Open event (need to purchase tickets for some of the activities)
29 July 2013	Manchester United Asia Tour 2013 (Hong Kong Leg)	Kitchee Foundation Limited	\$8 million	\$33.46 million	40 354 (expected)	Need to purchase tickets in advance

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)113**

Question Serial No.

2675

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:

Regarding the Economic Development Commission (the Commission) established by the Chief Executive and its four Working Groups, especially the Working Group on Manufacturing Industries, Innovative Technology and Cultural and Creative Industries, does the Administration have any plan on how to consult the trade on the development of the relevant industries, and how to make public the information on the work of the Commission to the trade and the community in a transparent manner? What will the consultation channels be and what are the details involved? If there is no such plan, what are the reasons?

Asked by: Hon. MOK, Charles Peter

Reply:

The Economic Development Commission (EDC) led by the Chief Executive will provide visionary direction and advice to the Government on the overall strategy and policy to broaden Hong Kong's economic base and to enhance Hong Kong's economic growth and development; and in particular, it will explore and identify growth sectors or clusters of sectors which present opportunities for Hong Kong's further economic growth, and recommend possible policy and other support for these industries. There are four working groups underpinning the EDC, which will look into issues concerning transportation; convention and exhibition industries and tourism; manufacturing industries, innovative technology, and cultural and creative industries; and professional services respectively. In order to widely collect the views of the trades and the professionals, the Government has appointed experts and representatives of the trades with relevant experiences from within and outside Hong Kong to serve on the EDC. Members of the four working groups are also experienced personalities of the respective industries. The EDC and each of its working groups will suitably consider the need to further consult the trades and professional bodies when they discuss specific issues.

After the EDC's first meeting on 13 March 2013, the Chief Executive held a press conference to broadly outline the discussion at the meeting. The Government will consider the need and mode of publicity in the light of the work progress of the EDC and its working groups.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013



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

**CEDB(CIT)114**

Question Serial No.

2676

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 HKSAR Government plans to enhance the existing mechanism for monitoring the implementation of CEPA measures by establishing a joint working group with the Central People's Government. Does the Administration have plans as to how to consult the industries concerned, and to disseminate information about the work of the working group to the industries and the public to increase transparency? What channels will be involved and what are the details? If there is no intention to make public the work of the working group, what are the reasons? And in what ways will the Administration gather and gauge the views of the industries, especially the views related to the implementation of "early and pilot measures" of CEPA?

Asked by: Hon. MOK, Charles Peter

Reply:

The joint working group will provide targeted assistance to sectors which have encountered relatively more entry barriers, according to the feedback from the sectors concerned, and help them to resolve CEPA implementation problems in individual provinces and municipalities. Trade and Industry Department (TID) is coordinating with relevant policy bureaux and departments as well as the offices of the HKSAR Government in the Mainland to collate feedback from the trade on their problems in using the CEPA liberalisation measures, including their views on the implementation of early and pilot measures for the purpose of setting priority and relevant work agenda. TID and their Mainland counterpart will draw up a detailed work plan, with a view to convening the first

working group meeting in the second quarter of the year. The relevant departments of the HKSAR Government will liaise closely with the trade, explaining to them the development and progress of the follow-up actions. Since the issues discussed in the working group may involve individual enterprises, TID will explain to the trade the relevant development and progress depending on the circumstances.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)115**

Question Serial No.

2677

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:

Last year, the Administration introduced the Copyright (Amendment) Bill into the Legislative Council to seek enactment without being able to complete the legislative procedures. Copyright owner organisations have all along been looking forward to early enactment to enhance the enforcement against genuine infringers. Meanwhile, there are also concerns over the protection of parody (secondary creation) in the community. Does the Administration have plans to conduct further consultation on the amendment bill? If yes, what are the details, timetable and expenditure? If no, what are the reasons?

Asked by: Hon. MOK, Charles Peter

Reply:

The Administration introduced the Copyright (Amendment) Bill 2011 (the Bill) into the Legislative Council (LegCo) to update our copyright law so that it would endure the test of rapid advances in technology to obviate the need to change the law every time a new communication mode emerges. Besides, the Bill would enable cooperation between copyright owners and online service providers in the fight against online infringement, facilitate new modes of uses such as e-learning. After thorough scrutiny, a LegCo Bills Committee supported the resumption of Second Reading Debate on the Bill with suitable amendments. But owing to other pressing business LegCo had to transact, the Second Reading Debate did not resume and the Bill lapsed upon expiry of the previous term of LegCo.

In view of the complexity of the legislative proposal, the Administration would continue to engage different sectors to address issues of concern, including “parody” and the related copyright issues. We will take into account fully the views of different stakeholders and ensure the continuous effectiveness of the copyright laws in the digital environment. The related work is absorbed by the existing establishment. No additional expenditure is incurred.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)116**

Question Serial No.

4998

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:

All along, there have been criticisms that the contents of the events sponsored by the Mega Events Fund were not up to international standard. Please provide details of the following:

- (1) the detailed contents of the events sponsored by the Fund in the past few years as well as the amounts of funding obtained;
- (2) the respective numbers of participants in the events and their total number;
- (3) the measures to be taken by the Administration to require the event organiser to conduct a review and be held responsible should the benefits obtained from the event (such as attendance) be unsatisfactory, and the number of organisers with their events evaluated as unsatisfactory in the past; and
- (4) the indicators for assessment of “mega events”.

Asked by: Hon. MOK, Charles Peter

Reply:

- (1) & (2) The Mega Events Fund (MEF) was established in 2009 following the funding approval of the Finance Committee of the Legislative Council. Since its inception, eight rounds of applications have been invited and a total maximum sum of \$84.7 million has been granted to support 21 mega events. According to the information submitted by the applicants, all the MEF supported events can attract over 1 490 000 participants. The details of the events and their respective amount of funding are as follows:

<b>Project title</b>	<b>Organiser</b>	<b>Nature</b>	<b>Date of Event</b>	<b>Number of participants</b>	<b>Funding Ceiling</b>
Swire “Symphony Under the Stars”	Hong Kong Philharmonic Orchestra	Large-scale outdoor classical concert	13 November 2009	18 000	\$1.4 million
Hong Kong Tennis Classic 2010	Hong Kong Tennis Patrons’ Association Limited	International tennis tournament	6 - 9 January 2010	14 320	\$9 million
Mui Wo Water Lantern and Sky Lantern Festival	Hung Shing Festival Preparatory Committee Limited	Traditional cultural activity	26 - 29 March 2010	49 935	\$1.5 million
Hong Kong 2010 International a cappella Festival	The Hong Kong Federation of Youth Groups	Large-scale music festival	27 March – 22 April 2010	13 481	\$0.8 million
Hong Kong Musical Festival	Springtime Experimental Theatre Perry Chiu Experimental Theatre Ah Lo Productions Chung Ying Theatre Company	Large-scale musical opera festival	29 March – 21 April 2010	31 211	\$2.5 million
Hope and Glory	The Birch Foundation	Large-scale multi-media arts exhibition	8 April – 30 May 2010	63 250	\$2 million

<b>Project title</b>	<b>Organiser</b>	<b>Nature</b>	<b>Date of Event</b>	<b>Number of participants</b>	<b>Funding Ceiling</b>
Hong Kong Dragon Boat Carnival	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	23-25 July 2010	150 461	\$5 million
Record Breaking Dragon and Lion Dance Extravaganza	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2011	60 000	\$1 million
Hong Kong Tennis Classic 2011	Hong Kong Tennis Patrons' Association Limited	International tennis tournament	5-8 January 2011	12 802	\$5 million
Hong Kong Well-wishing Festival	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	11-17 February 2011	54 639	\$1.8 million
Hong Kong Dragon Boat Carnival 2011	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	17-19 June 2011	215 558	\$4 million
Hong Kong International Jazz Festival 2011	Hong Kong Jazz Association	Large-scale music festival	25 September – 2 October 2011	40 094	\$3 million
Hong Kong Cricket Sixes 2011	The Hong Kong Cricket Association	International cricket tournament	28 - 30 October 2011	14 276	\$3.5 million
UBS Hong Kong Open Championship 2011	Hong Kong Golf Association Limited	International golf tournament	1 - 4 December 2011	38 090	\$8 million

<b>Project title</b>	<b>Organiser</b>	<b>Nature</b>	<b>Date of Event</b>	<b>Number of participants</b>	<b>Funding Ceiling</b>
Dragon and Lion Dance Extravaganza 2012	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2012	58 580	\$1.4 million
Hong Kong Well-wishing Festival 2012	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	23 January – 6 February 2012	178 136	\$1.4 million
Hong Kong Dragon Boat Carnival 2012	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	2-8 July 2012	206 080	\$6.5 million
UBS Hong Kong Open Championship 2012	Hong Kong Golf Association Limited	International golf tournament	15 - 18 November 2012	40 000	\$15 million
Dragon and Lion Dance Extravaganza 2013	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2013	65 100	\$1.4 million
Hong Kong Well-wishing Festival 2013	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	10-23 February 2013	133 410	\$2.5 million
Manchester United Asia Tour 2013 (Hong Kong Leg)	Kitchee Foundation Limited	Soccer exhibition match	29 July 2013	40 354 (expected)	\$8 million

- (3) The MEF Assessment Committee (AC) and the MEF Secretariat will monitor the process of the organisation of the events to ensure that they are in line with the aim of the MEF, as well as other related requirements. The AC and the Secretariat will observe the entire process of the



events and collect the feedback from the participants. The organisers will be required to submit the audited accounts, evaluation report and publicity report of completed events. These reports will be submitted to the AC and Controlling Officer of the MEF for consideration. If it is concluded that the relevant organisers had breached any funding terms and conditions as stated in the agreement; that their performance in organising the events were not satisfactory; or if the events failed to achieve the pre-determined deliverables / targets, sanctions such as withholding of outstanding funds or reducing the level of funding may be imposed. The relevant organisers may even be suspended from future MEF applications.

As at end of February 2013, a total of 20 MEF supported events have been completed. All were completed by the deadline specified in the agreement. However, funding support for eight events was reduced due to unsatisfactory performance of the organisers in implementing the events and/or failure of the events to achieve the pre-determined deliverables / targets. The amount of deduction ranged from \$90 000 to \$1.11 million. Two organisers were also suspended from future MEF applications. The AC and the MEF Secretariat will continue to monitor strictly the implementation of funded events to ensure the proper use of public funds.

- (4) The MEF has a strict and open assessment mechanism. The AC will consider all the applications in detail. Successful applications must fulfil various basic criteria. For instance, the event must be an arts, cultural, sports or entertainment event; the organisers must be local non-profit-making organisations (applicable to the MEF tier-two scheme); the event should be able to raise the profile of Hong Kong internationally, create a branding impact, attract visitors to Hong Kong specifically for the event and/or lengthen their stay in Hong Kong; generate local and non-local media coverage; contain a non-local element and include participants / spectators from the Mainland and overseas; as well as the number of participants in the event must reach at least 10 000. To pass the assessment, the event is also required to attain passing marks for each of the criteria including economic benefits, publicity benefits, scale of the event, technical and financial feasibility, as well as the applicants' event management capabilities, etc. The AC has been assessing each application carefully in accordance with the open assessment mechanism. Applications failing to meet any of the assessment criteria will be rejected.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)117**

Question Serial No.

5028

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:

In relation to the SME Financing Guarantee Scheme mentioned in paragraph 70 of the Budget Speech, will the Government consider the inclusion of terms requiring small and medium enterprises to choose products or suppliers with environmental certifications in their acquisition of, say, papers, stationery or electronic equipment in order to be in line with the green policies and the development of environmental protection? If so, what are the staffing arrangement and estimated expenditure involved in implementing the terms? If not, why?

Asked by: Hon. Hon. MOK, Charles Peter

Reply:

The Hong Kong Mortgage Corporation Limited (HKMC) launched the special concessionary measures under its SME Financing Guarantee Scheme (SFGS) on 31 May 2012 to assist enterprises in obtaining financing in the commercial lending market under the prevailing uncertain external economic environment to meet their operating need, with the Government providing a total loan guarantee commitment of \$100 billion. We do not have any plan to add any requirement on the procurement policy of enterprises under the measures.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

Examination of Estimates of Expenditure 2013-14

Reply Serial No.

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

**CEDB(CIT)118**

Question Serial No.

0679

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

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:

For the programme of Posts, Competition Policy and Consumer Protection, the provision in the revised estimate for 2012-13 is 82.9% lower than the original estimate but surges by 501.9% in the estimate for 2013-14. What are the reasons for such sharp fluctuations?

Asked by: Hon. NG Leung-sing

Reply:

Provision in the original estimate for Programme (4) in 2012-13 was earmarked mainly for the preparatory work relating to the Competition Commission (the Commission) should the Competition Bill be passed within 2012-13. Taking account of the enactment of the Competition Ordinance (the Ordinance) in June 2012 and the progress of preparatory work afterwards, the estimate for 2012-13 was revised downwards by 82.9%. The increase in the estimate for 2013-14 by 501.9% is to cater for the establishment and operation of the Commission in 2013-14.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)119**

Question Serial No.

1623

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 list out the special concessionary measures under the SME Financing Guarantee Scheme. Over 5 400 applications have been approved since the introduction of the Scheme in May 2012. Among these applications:

- (a) What is the percentage distribution of different levels of loan guarantee ratios and rates of annual guarantee fee?
- (b) What is the maximum and minimum amount of loan offered? What is the band of loan approved for each application?
- (c) What is the percentage share of the respective industry sectors the applicant enterprise belongs to?
- (d) What is the corresponding share of the use of the loans applied?

Asked by: Hon. QUAT, Elizabeth

Reply:

The Hong Kong Mortgage Corporation Limited (HKMC) launched the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) on 31 May 2012. The Government has provided a total loan guarantee commitment of \$100 billion. As at 28 February 2013, the HKMC has received over 6 800 applications and approved over 5 900 applications, involving a total loan amount and a total guarantee amount of over \$26 billion and \$20 billion respectively.

- (a) The special concessionary measures provide 80% loan guarantee to enterprises at a concessionary guarantee fee rate. For loans with an annual loan interest rate not exceeding 10%, the annual guarantee fee rate is 0.1 of the annual loan interest rate; and for loans with an annual interest rate exceeding 10% but not more than 12%, the annual guarantee fee rate is 0.12 of the annual loan interest rate. The minimum annual guarantee fee rate is 0.5%. As at 28 February 2013, the average annual guarantee fee rate is 0.5%.

(b) Under the special concessionary measures, the maximum total loan amount to be guaranteed for each enterprise is \$12 million at any one time. As at 28 February 2013, the largest and smallest loan amounts approved under the special concessionary measures are \$12 million and \$100,000 respectively. The average loan amount approved is \$4.42 million. The distribution is as follows –

Facility Amount/Limit	No. of Applications Approved	Percentage of Total Applications Approved	Facility Amount/ Limit (HK\$ million)	Percentage of Total Facility Amount/ Limit Approved
≤ HK\$1 million	835	14.1%	653.4	2.5%
> HK\$1 million ≤ HK\$3 million	2 195	37.2%	5,110.6	19.6%
> HK\$3 million ≤ HK\$8 million	2 083	35.3%	11,180.7	42.9%
> HK\$8 million ≤ HK\$10 million	136	2.3%	1,293.1	5.0%
> HK\$10 million up to HK\$12 million	655	11.1%	7,838.8	30.0%
<b>Total</b>	<b>5 904</b>	<b>100%</b>	<b>26,076.6</b>	<b>100%</b>

(c) The number of applications approved under the special concessionary measures by sector is as follows:

Sector	No. of Applications Approved	Percentage of Total Applications Approved	Approved Facility Amount (HK\$ million)	Approved Guarantee Amount (HK\$ million)
<b>Manufacturing</b>	<b>1 659</b>	<b>28.1%</b>	<b>8,158.6</b>	<b>6,526.9</b>
Textiles and clothing	340	5.8%	1,864.4	1,491.6
Electronics	161	2.7%	820.4	656.3
Plastics	120	2.0%	501.8	401.4
Printing and publishing	116	2.0%	445.9	356.7
Others	922	15.6%	4,526.1	3,620.9
<b>Non-manufacturing</b>	<b>4 245</b>	<b>71.9%</b>	<b>17,918.0</b>	<b>14,334.4</b>
Trading	2 641	44.7%	11,908.6	9,526.9
Wholesale and retail	510	8.6%	2,027.7	1,622.1
Construction	140	2.4%	596.7	477.4
Transportation/logistics	132	2.2%	459.3	367.4
Engineering	129	2.2%	444.5	355.6
Others	693	11.8%	2,481.2	1,985.0
<b>Total</b>	<b>5 904</b>	<b>100%</b>	<b>26,076.6</b>	<b>20,861.3</b>

(d) The credit facilities approved under the special concessionary measures must be used for providing general working capital for the enterprise's business operations, acquiring equipment or assets (excluding residential properties) in relation to the enterprise's business, or refinancing of facilities previously guaranteed under the Special Loan Guarantee Scheme (SpGS) of the Trade and Industry Department or SFGS. The breakdown of the use of proceeds under the measures is set out as follows –

<b>Use of Proceeds</b>	<b>No. of Applications Approved</b>	<b>Percentage of Total Applications Approved</b>
General working capital for the enterprise's business operations	5 782	97.9%
Acquisition of equipment or assets	9	0.2%
Refinancing of credit facilities	113	1.9%
<b>Total</b>	<b>5 904</b>	<b>100%</b>

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)120**

Question Serial No.

1624

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:

According to paragraph 39 of the Budget Speech, as at end-2012, 13 applications for redevelopment or wholesale conversion of industrial buildings into hotels were approved by the Lands Department. The Government estimates that some 10 000 new hotel rooms will be available in Hong Kong this year and next year. Please provide the following information:

- a. the number of applications received and approved by the Government for redevelopment or wholesale conversion of industrial buildings into hotels in each of the past three years (i.e. 2010-2011, 2011-2012 and 2012-2013); the location of the relevant cases approved; the plot ratio of the projects involved; the gross floor area and the number of hotel rooms;
- b. the monthly average occupancy rates of hotel rooms in Hong Kong over the past three years;
- c. the respective supply and average occupancy rates of rooms in hotels and guesthouses of different ratings over the past three years;
- d. the number of additional hotels of various star ratings and rooms between 2012 and 2016, as well as the districts they are in;
- e. the changes in the ratio of Mainland to non-Mainland visitors among the total overnight visitor arrivals over the past three years in Hong Kong;
- f. the respective ratio of visitors from the Mainland and other overseas regions or countries among the overnight visitor arrivals over the past three years in Hong Kong.

Asked by: Hon. QUAT, Elizabeth

Reply:

- a. The Government announced in October 2009 a set of measures to facilitate redevelopment and wholesale conversion of older industrial buildings. The measures came into effect on 1 April 2010, and aim at providing more floor space for suitable uses to meet Hong Kong's changing social and economic needs. Regarding change of industrial buildings to hotel use, the Lands Department had received 20 applications up to end February 2013, of which 13 applications had been approved. The breakdown by year is as follows:

<u>Year</u>	<u>Applications Received</u>	<u>Applications Approved</u>
2010-11	6	3
2011-12	7	4
2012-end February 2013	7	6

The applications approved can provide a total gross floor area of about 100 000 square metres of converted or new floor space for hotel use, involving about 2 400 hotel rooms when implemented. Most of the industrial buildings concerned are located in Kwai Chung and Kwun Tong. We do not have the statistics on their plot ratio.

- b. The monthly average occupancy rate of all hotels in Hong Kong over the past three years (2010-2012) is as follows –

<b>%</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>
<b>2010</b>	87	79	88	86	84	82	88	88	82	89	93	93
<b>2011</b>	87	85	91	88	88	87	93	92	84	89	94	93
<b>2012</b>	85	88	89	89	86	89	93	94	83	88	94	92

- c. The number of rooms for all categories of hotels and guesthouses in Hong Kong over the past three years (2010-2012) is as follows –

<b>Rooms</b>	<b>High Tariff A Hotels</b>	<b>High Tariff B Hotels</b>	<b>Medium Tariff Hotels</b>	<b>All Hotels</b>	<b>Guesthouses</b>
<b>2010</b>	16 052	21 432	17 591	60 428	5 926
<b>2011</b>	17 181	24 315	17 072	62 830	6 211
<b>2012</b>	17 522	25 258	19 566	67 394	6 818



The average occupancy rate for for all categories of hotels and guesthouses in Hong Kong over the past three years (2010-2012) is as follows –

<b>% Year</b>	<b>High Tariff A Hotels</b>	<b>High Tariff B Hotels</b>	<b>Medium Tariff Hotels</b>	<b>All Hotels</b>	<b>Guesthouses</b>
<b>2010</b>	81	88	90	87	82
<b>2011</b>	85	91	93	89	86
<b>2012</b>	85	91	92	89	85

- d. In 2001, the Hong Kong Tourism Board revised the hotel classification system based on 5 major indicators – effective room rate, staff to guest room ratio, hotel location, facilities and business packages. Based on their weighted average score, Hong Kong hotels are classified into High Tariff A Hotels, High Tariff B Hotels and Medium Tariff Hotels. New hotels between 2013 and 2016 are not classified because relevant data is as yet incomplete.

As at end-December 2012, the number of new hotels and new rooms by district between 2013 and 2016 is as below –

<b>District</b>	<b>Estimated number of new hotel between 2013 and 2016 (estimated new hotel rooms)</b>
<b>Hong Kong Island</b>	+22 (+2 477 rooms)
<b>Kowloon</b>	+29 (+2 973 rooms) (including a hotel expansion project)
<b>New Territories</b>	+7 (+2 515 rooms)
<b>Total</b>	+58 (+7 965 rooms)

Note: The above number excludes 43 hotel projects (providing some 8 274 rooms) which were approved by the Building Authority but without completion dates.

- e. The percentage of Mainland and non-Mainland overnight visitors compared to total overnight visitors in the past three years (2010-2012) is as follows –

<b>Year</b>	<b>Percentage of Overnight Mainland Visitors Compared to Total Overnight Visitors</b>	<b>Percentage of Overnight Non-Mainland Visitors Compared to Total Overnight Visitors</b>
<b>2010</b>	58%	42%
<b>2011</b>	61%	39%
<b>2012</b>	64%	36%

- f. The percentage of overnight visitors from Mainland China and other market regions compared to total overnight visitors in the past three years (2010-2012) is as follows –

<b>Market Region</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>The Americas</b>	6%	6%	5%
<b>Europe, Africa and the Middle East</b>	8%	7%	7%
<b>Australia, New Zealand and the South Pacific</b>	3%	3%	2%
<b>North Asia</b>	7%	7%	6%
<b>South and Southeast Asia</b>	13%	13%	11%
<b>Taiwan</b>	4%	3%	3%
<b>Macau SAR</b>	1%	1%	1%
<b>Mainland China</b>	58%	61%	64%

Remarks: Due to rounding, the sum of figures for individual year may not add up to 100%

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)121**

Question Serial No.

1632

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:

1. How will the Government work with the Hong Kong Tourism Board, the tourism sector and relevant government departments to promote the green tourism products in Hong Kong in 2013-14? What will be the manpower and resources involved?
2. Please provide details of the green tourism promotion projects, including the event titles, contents, organisers and dates, launched in the past three years (i.e. 2010-11, 2011-12 and 2012-13) as well as the projects scheduled for 2013-14.

Asked by: Hon. QUAT, Elizabeth

Reply:

- 1-2 The Tourism Commission (TC) is partnering with the Agriculture, Fisheries and Conservation Department (AFCD) and the Hong Kong Tourism Board (HKTB) in promoting nature-based green tourism products via the HKTB's marketing platform "Great Outdoors Hong Kong!". In the past three years, the campaign focused on promoting the Hong Kong Global Geopark of China (Geopark), outlying islands (including Lamma Island, Cheung Chau and Peng Chau), hiking trails (including MacLehose Trail, The Peak Circle Walk and Dragon's Back), Hong Kong Wetland Park and Mai Po Nature Reserve.

In 2013-14, the HKTB will continue its promotion work in this area, and extend the "Great Outdoors Hong Kong!" campaign period from five weeks in the past to about three months. The campaign will not only focus on the promotion of the Geopark, hiking trails and outlying island tours, but also the promotion of Hong Kong's nature through different channels. Details of the campaign are as follows:

- For visitors or consumers
  - To organise free guided tours so as to encourage visitors to explore Hong Kong's hiking trails and outlying islands. In particular, the HKTB will explore the possibility of introducing cycling tours and guided tours to organic farms.
  - To promote tourism products which are operated by local travel agents through different channels, such as the Internet and hiking guidebooks.
  - To promote Hong Kong's major outlying islands to visitors with smartphone applications.
  
- For overseas media
  - To arrange overseas media to experience Hong Kong's outlying islands and green attractions.
  
- For overseas travel trade promotion
  - To invite overseas travel trade specialising in green tourism products to experience Hong Kong's green attractions, and encourage them to include Hong Kong's outlying island tours in their green tourism products.

Meanwhile, the TC, in collaboration with the HKTB, the travel trade and relevant departments, is implementing a pilot scheme to allow coaches to transport inbound visitors to the East Dam of the High Island Reservoir on a limited scale to further facilitate visitors to go to the Geopark, with a view to promoting nature-based tourism activities. The TC and the relevant departments will carry out the above work with existing resources. No additional expenses and manpower will be incurred.

The HKTB's total marketing budget for 2013-14 is \$337.8 million, which has already included the expenses for promoting green tourism. As for the guided tours specially organised for visitors under the "Great Outdoors Hong Kong!", the estimated cost is about \$1.4 million. The HKTB has earmarked \$700,000 for organising the campaign and will seek funding support for the remaining \$700,000 through sponsorships and other incomes. This promotion work covers a wide range of areas and is undertaken by various departments of the HKTB.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)122**

Question Serial No.

1633

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:

Concerning the promotion of honest tourism and hospitality culture:

1. Please provide the total annual expenditure of the Bureau for promoting honest tourism and hospitality culture in collaboration with local stakeholders and Mainland tourism authorities for each year;
2. Please provide the titles, content, organisers, co-organisers and duration of the promotion events launched each year;
3. What is the Administration's assessment of the effectiveness of promoting honest tourism and hospitality culture in the light of a recent incident of mainland visitors who were forced to sleeping overnight on a coach during the Lunar New Year?

Asked by: Hon. QUAT, Elizabeth

Reply:

1. The Tourism Commission (TC) under the Commerce, Industry and Tourism Branch (CITB) of the Commerce and Economic Development Bureau is responsible for promoting honest tourism and hospitality culture in collaboration with local stakeholders and Mainland tourism authorities. The expenditure on such work is subsumed into the provision for CITB each year. It is difficult to quantify such expenditure separately. Promotion resources for "Quality and Honest Hong Kong" (Q&H) tours by the Hong Kong Tourism Board (HKTB) from 2010-11 to 2013-14 are as follows:

<b>Year</b>	<b>Promotional Resources (\$ million)</b>
2010-11	3
2011-12	6.5
2012-13	6.2
2013-14	5.5 (estimate)

In addition, to consolidate Hong Kong's image as a leading travel destination, the HKTb plans to roll out new initiatives in selected visitor source markets in 2013-14, including short videos and outdoor advertising promoting Hong Kong's hospitable culture and travel experience. The estimated budget for these initiatives is \$5 million.

2. The HKTb has been promoting Q&H tours to Mainland consumers via online platforms, consumer promotions and the media. Microfilms are produced and shown on online travel portals, warning consumers against fraudulent low-fare, poor-quality tours. Also, the HKTb has been strengthening co-operation with travel websites and agencies, and plans to increase the number of Q&H tours online counters from 54 to 60 in 2013-14 in order to enable more consumers to learn about such tours. The HKTb also focuses on rolling out consumer education programmes prior to peak travel seasons, and partners with the travel trade to develop quality tourism products to provide consumers with more choices.

Meanwhile, the Consumer Council has established the "Shop Smart" website to provide practical tips to Mainland visitors, such as reminding them to choose only travel agents with good reputation and management, and be aware of low-priced 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.

On fostering a hospitable culture, the TC 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 Travel Industry Council of Hong Kong (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, in order to ensure our visitors can enjoy quality service.

3. The Government all along attaches great importance to the service quality of the tourism sector in Hong Kong. To further improve the operation of Mainland inbound tours, the TIC's "Task Force on the Review of the Operation and Regulation of Mainland Inbound Group Tours" met in March this year to explore measures for strengthening the regulation of Mainland inbound tours. The Commissioner for Tourism also joined the meeting. In view of the recent "3A Holidays" incident, we have formally requested the TIC to study thoroughly how to strengthen the 10 measures for regulation of Mainland inbound tours, including strengthening regulation on accommodation arrangements for Mainland inbound tours and conducting random checks on tour confirmation agreements, etc. After the TIC has ironed out details of the new measures, we will liaise with the China National Tourism Administration and solicit co-operation from related tourism authorities. We will continue to collaborate with local

stakeholders and Mainland tourism authorities in promoting honest tourism and hospitality culture, and will ensure the effectiveness of such efforts through regular communication.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)123**

Question Serial No.

1640

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:

What are the details and breakdown of the expenditure regarding the Administration's initiative in assisting Hong Kong's professional services to enter the Mainland market under the Mainland and Hong Kong Closer Economic Partnership Arrangement in 2013-14? How do the figures compare with those of 2012-13?

Asked by: Hon. QUAT, Elizabeth

Reply:

The Government is committed to assisting Hong Kong professional services to enter the Mainland market under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). We seek various preferential and facilitative measures for Hong Kong professional service providers, including opening up the Mainland professional qualification examinations to eligible Hong Kong residents, encouraging mutual recognition of professional qualifications, facilitating registration and practice, lowering the entry threshold, relaxing scope of services, setting up examination centres in Hong Kong or dedicated examination centres in Guangdong Province to make it more convenient for Hong Kong professionals to sit for the relevant Mainland qualification examinations, etc. We have also been actively addressing implementation problems of liberalisation measures related to professional services.

During 2013-14, relevant bureaux and departments will, taking account of the requests and views of the professional sectors, continue to discuss with the respective Mainland authorities to further facilitate eligible Hong Kong residents or professionals in obtaining Mainland professional qualifications and registration, as well as in practising and setting up businesses in the Mainland. We will also actively seek to resolve implementation problems in these areas.



In addition, to enhance the existing mechanism for the implementation of CEPA, the Chief Executive has announced in the Policy Address that the HKSAR Government and the Central People's Government will set up a joint working group. The joint working group will, according to the feedback from the sectors concerned, provide targeted assistance to sectors which have encountered relatively more entry barriers, including the professional services sector, and help resolve CEPA implementation problems in different places.

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 further liberalisation and implementation of liberalisation measures under CEPA; and individual bureaux and departments deal with liberalisation and specific implementation issues in the relevant service sectors. The manpower and financial resources involved in the work are absorbed by relevant bureaux or departments. We do not have information on the actual amount.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)124**

Question Serial No.

1641

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 on the expenditures and manpower involved in the further development of wine-related businesses in Hong Kong.

Asked by: Hon. QUAT, Elizabeth

Reply:

Details of our efforts in 2013-14 to support the further development of wine-related business are given below –

- (a) trade and investment promotion: the Commerce and Economic Development Bureau co-ordinates the promotion work of relevant agencies, namely the Hong Kong Trade Development Council, the Hong Kong Tourism Board, and Invest Hong Kong, including wine promotion events such as the Wine and Dine Festival and the International Wine and Spirits Fair;
- (b) clearance facilitation: the Mainland customs facilitation scheme for wines imported from Hong Kong has been extended from Shenzhen to Guangzhou since November 2012. We will enhance its promotion and seek refinements in consultation with the Mainland Customs;
- (c) manpower training and education: the Government will carry out a manpower survey for the wine industry in 2013-14. It will assess the manpower demand and supply and training needs, for reference by industry players and training providers;

- (d) wine storage: the Hong Kong Quality Assurance Agency has reviewed its scheme for accrediting storage facilities in 2012, and set the direction for developing wine accreditation services. We will co-operate with the HKQAA;
- (e) combating counterfeit wine: the Customs and Excise Department (C&ED) will continue to ally with the industry for strengthening co-operation in intelligence collection and market monitoring. C&ED will also continue to liaise with overseas and Mainland enforcement agencies for enhancing its capacity in intercepting any suspected counterfeit wine and verifying wine authenticity; and
- (f) international co-operation: we signed an agreement with Germany in May 2012, making a total of 13 agreements on wine co-operation. We will continue to look for other partners to strengthen promotional activities in areas including wine-related trade, investment, tourism, etc.

We cope with the workload arising from the implementation of the above measures through re-deployment of existing resources. The related expenditure are subsumed under the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately. Regarding the two key wine-related promotion events mentioned in (a) above, the costs are met through government subvention, charging of fees and commercial sponsorship.

Name in block letters: ANDREW HY WONG  
 Post Title: Permanent Secretary for Commerce and Economic  
 Development (Commerce, Industry and Tourism)  
 Date: 26.3.2013

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

**CEDB(CIT)125**

Question Serial No.

1642

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

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 details on the following items in respect of the Hong Kong Trade Development Council (TDC) for the past 5 years (i.e. 2008-2009, 2009-2010, 2010-2011, 2011-2012 and 2012-2013):

- (a) the number of "trade promotion events" and "local fairs" organised annually;
- (b) the respective numbers of local fairs held at the Hong Kong Convention and Exhibition Centre in Wan Chai and the AsiaWorld-Expo;
- (c) the ratio of local, Mainland and overseas exhibitors participated in local fairs;
- (d) the annual expenditure on organising local fairs and the percentage against HKTDC's overall expenditure; and
- (e) the annual income generated from organising local fairs and the percentage against HKTDC's overall income.

Asked by: Hon. QUAT, Elizabeth

Reply:

- (a) The numbers of trade promotion events and local exhibitions organised by the Hong Kong Trade Development Council (TDC) in the past 5 years are tabulated as follows:

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Trade Promotion Events</b>	725	784	821	800	796
<b>Local Exhibitions</b>	33	34	36	35	35

- (b) The numbers of local exhibitions organised by TDC at the Hong Kong Convention and Exhibition Centre (HKCEC) and AsiaWorld-Expo (AWE) in the past 5 years are tabulated as follows:

	2008	2009	2010	2011	2012
<b>No. of local exhibitions organised by TDC at</b>					
- <b>HKCEC</b>	28	30	32	30	30
- <b>AWE</b>	5	4	4	5	5

- (c) The numbers of local, Mainland and overseas exhibitors participated in the local exhibitions organised by TDC at the aforementioned two venues (i.e. HKCEC and AWE) in the past 5 financial years (i.e. from 2008-09 to 2012-13) are tabulated as follows:

	Financial Year				
	2008-09	2009-10	2010-11	2011-12	2012-13
<b>No. of exhibitors participated in TDC's local exhibitions</b>					
- <b>local exhibitors</b>	13 957	13 790	13 648	13 692	14 179
- <b>Mainland exhibitors</b>	7 192	8 405	9 706	10 497	10 875
- <b>overseas exhibitors</b>	6 960	7 312	8 056	8 585	8 797

- (d) The expenditure incurred by TDC in organising local exhibitions and the percentage share in the overall expenditure in the past 5 financial years (i.e. from 2008-09 to 2012-13) are tabulated as follows:

	Financial Year				
	2008-09	2009-10	2010-11	2011-12	2012-13 <sup>^</sup>
<b>TDC's expenditure on local exhibitions #</b>	\$831 million	\$1,054 million	\$1,101 million	\$1,106 million	\$1,148 million
<b>TDC's overall expenditure *</b>	\$1,894 million	\$2,200 million	\$2,289 million	\$2,384 million	\$2,464 million
<b>Expenditure on local exhibitions as a percentage of TDC's overall expenditure</b>	44%	48%	48%	46%	47%

# : 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.

<sup>^</sup> : Figures to be finalised at the end of the financial year.

\* : From 2009-10, TDC's expenditures include financial cost.

- (e) The revenue generated from local exhibitions by TDC and the percentage share in the overall revenue in the past 5 financial years (i.e. from 2008-09 to 2012-13) are tabulated as follows:

	<b>Financial Year</b>				
	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13<sup>^</sup></b>
<b>TDC's revenue from local exhibitions</b>	\$1,034 million	\$1,206 million	\$1,333 million	\$1,383 million	\$1,448 million
<b>TDC's overall revenue</b>	\$1,979 million	\$2,232 million	\$2,392 million	\$2,434 million	\$2,507 million
<b>Revenue on local exhibitions as a percentage of TDC's overall revenue</b>	52%	54%	56%	57%	58%

<sup>^</sup> : Figures to be finalised at the end of the financial year.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)126**

Question Serial No.

1643

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

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:

Please provide:

- (a) the subject and content of the in-depth studies carried out by the Consumer Council in the past 3 years (2010-2011, 2011-2012 and 2012-2013) and planned to be carried out in 2013-2014 and the estimated expenditure and manpower involved; and
- (b) the balance of the Consumer Legal Action Fund as at end of 2012 and the content of the claim cases handled with the assistance of the Fund in the past 3 years (2010-2011, 2011-2012 and 2012-2013).

Asked by: Hon. QUAT, Elizabeth

Reply:

(a)

In-depth studies are comprehensive studies on products, services and prices in addition to product tests and surveys. In-depth studies usually require relatively more manpower resources of the Consumer Council (CC) in collecting and analyzing the relevant data and will not usually involve purchasing a lot of test samples. The subjects and contents of the in-depth studies carried out by the CC in the past three years are as follows. Since the manpower and expenses involved in conducting in-depth studies have been included in the establishment of and provision for the CC, it is difficult to quantify separately.

### 2010-2011

Acrylamide - Genotoxic Carcinogen; Canola Oil; Food Colourants; Nutrition Labelling - Serving Size; Nutrition Labelling Survey - Breakfast Cereals; Nutrition Labelling Survey - Canned Food and Bread; Nutrition Labelling Survey - Chips and Crisps; Organic Food; Acnes Treatments; Glucosamine Health Food Products; Interactions Between Food and Drugs; Misunderstanding about Drugs 1; Misunderstanding about Drugs 2; Natural and Organic Skin Care Products; Registration of Proprietary Chinese Medicine; Skin Care Products for Acnes; Topical Face Sculpturing and Body Slimming Products; Compact Fluorescent Lamps - Labelling Issues; Dehumidifiers - Safety Tips; Gas Water Heaters - Safety Tips; Solar Water Heaters; Table Lamps - Health Claims; Children's Safety at Home; Environmentally Friendly Refrigerants; Hydraulic/Pneumatic Beds - Fatal Incident; Hydraulic/Pneumatic Beds - Safety Recommendations; Nanotechnology Products; Water Saving Shower Heads; Cosmetic Contact Lenses; Hand Warmers and Warm Pads; Health Ornaments; Acupuncture Service; Corporate Social Responsibility of Digital Cameras Manufacturers; Credit Card Instalment Payment Plans; Hong Kong Monetary Authority Guidelines on Credit Cards Instalment Payment Plans; Octopus Card; Slimming and Fitness Service for Men; and Stem Cells Storage Services.

### 2011-12

Health Claims of Follow-up Formulas; Legibility of Nutrition Labels; Use of Nutrition Labelling among Students; Drugs for Dementia; Drugs for Diabetes; Health Impact from Mobile Phone Radiations and Bluetooth Headsets; Health Product Claims; Labelling and Instruction Manuals of Proprietary Chinese Medicine; Medications for Gastric Reflux; Microneedle Therapy System Beauty Treatment; Shaving Products; Targeted Therapy; Treatments for Tuberculosis; Digital TV Recorders; Eco-design of TVs; Electric Foot Spa Massagers; Electric Steam Cleaners; Energy Labelling Requirements of Washing Machines and Dehumidifiers; Energy Saving Devices, Tools and Tips; Rice Cookers Scalding Hazards; Baby Cribs; Extendable Window Wipers and Glass Cleaning Agents; Folding Tables; Down Jackets; Quality of Sports Wear in the Mainland; Car Emissions and Eco Cars; Electric Cars; Car Rental Abroad; Chinese New Year Cleaning Services; Complaints of Fee Disputes of Bank Charges; Extra Reward Schemes of Credit Cards; Health Check Packages; Home Nursing Care Services; Jeans Manufacturing and Corporate Social Responsibility; Melanoma; Minor Works Control System; Monthly Fund Investment Plans; and Online group purchase services.

### 2012-13 (up to end February 2013)

Table Wines; Supplements for Body Building; Advice for Pregnant Women When Taking Medications; Analgesics; Anticoagulants; Breast Health; Eye Drops; Foot Sole Patch Claimed to Alleviate Diabetes; Nanoparticles in Sunscreens; Treatments for Attention Deficit-Hyperactivity Disorder; Inverter Type Room Air Conditioners; Electric Pest/Mosquito Repellers; Hair Straighteners and Curlers; Permanent Hair Straighteners; Funeral Ceremonies Held in Hospitals; Online Florists; Budget Airlines; Packaging of Gift Sets; Old Age Living Allowance; Mandatory Window Inspection Scheme; and Loco London Gold Trading.



The list of in-depth studies in 2013-14 is yet to be confirmed and may be adjusted depending on the latest market developments. If the demand for in-depth studies increases, the CC will deploy resources to handle them.

(b)

Since its establishment, the Consumer Legal Action Fund (CLAF) has approved 684 applications (up to 14 March 2013). As at 31 December 2012, the balance of the CLAF is \$20.12 million. In 2010-11, 2011-12 and 2012-13 (up to 14 March), the CLAF has provided assistance to eight cases, with particulars as follows :

<u>2010-11</u>	
Lehman-related Financial Product (Case 1)	The assisted consumer purchased an Equity-linked Note (ELN) based on the allegedly false or misleading representations by the staff of a bank that the ELN was similar to a fixed deposit and the consumer would only suffer a limited loss even if the stock market would fall substantially.
Lehman-related Financial Product (Case 2)	The assisted consumers purchased a Credit-linked Note (CLN) from a bank. The assisted consumers who were an aged couple accused the bank staff of having described the CLN as “bond” or “retail bond” that was most suitable for retired persons.
Lehman-related Financial Product (Case 3)	A bank staff was accused by the assisted consumer of false and misleading representations regarding the nature and potential risks of a kind of note and the case also involved the duties owed by the bank as a financial advisor to a customer.
Time-sharing Scheme	The assisted consumer claimed to have entered into an agreement for membership of a time-sharing scheme due to the alleged misrepresentation and unconscionable conduct of the seller.
Delay in Completion of a Residential Development	The assisted consumers claimed for damages for the alleged delay in completion of a residential development.
<u>2011-12</u>	
Lehman-related Financial Product (Case 4)	The assisted consumer claimed that a bank staff had misrepresented the nature and potential risks of an ELN. The assisted consumer also complained about the filling of inaccurate information in the risk assessment form by a bank staff.
<u>2012-13 (up to 14 March)</u>	
Purchase of an old model private vehicle	The assisted consumer accused a salesperson of having made false representations in the course of selling a vehicle.

2012-13 (up to 14 March)

Purchase of beauty services under the pretext of “Spokesperson Program”	The assisted consumer accused a beauty services provider of its repeated engagement in unscrupulous sales tactics, involving misrepresentation including false advertising and high pressure sales.
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Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)127**

Question Serial No.

1644

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:

Last year, the Government set up the \$1 billion BUD Fund to assist Hong Kong enterprises in developing the Mainland market through upgrading and restructuring, developing brands and promoting domestic sales in the Mainland. Over 500 applications have been approved by the Fund since June last year. Please provide information on the location of the enterprises involved, type of industries, the amount of fund approved for each application and the utilisation of the fund.

Asked by: Hon. QUAT, Elizabeth

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012. Subject to the financial position of the BUD Fund, the fund will be open for applications for five years. During the tenure of the BUD Fund, each enterprise may obtain funding for a maximum of three approved projects under the Enterprise Support Programme (ESP), with a cumulative funding ceiling per enterprise at \$500,000. The maximum amount of grant for each application under the Organisation Support Programme (OSP) is \$5 million, and there is no limit on the number of funding applications.

Up to the end of February 2013, we have processed 297 and 37 applications under the ESP and the OSP respectively, and 54<sup>1</sup> and 17 applications were approved, with an average amount of grants of \$394,000 and \$3.57 million respectively. The highest amount of funding approved are \$500,000 and \$5 million respectively, while the lowest amount of funding approved are \$15,000 and \$914,400 under the ESP and the OSP respectively. The total amount of funding approved is about \$81.9 million. We are now processing 222 and 17 applications under the ESP and OSP respectively.

<sup>1</sup> Excluding 47 applications that were granted conditional approval. The final approval of such applications and the amount of grants will be subject to further information submitted by the applicants.

For the location of the applicant enterprises/organisations, all enterprises granted funding under the ESP are non-listed enterprises registered in Hong Kong under the Business Registration Ordinance (Chapter 310) with substantive business operations in Hong Kong, while all organisations granted funding under the OSP are non-profit-distributing organisations in Hong Kong such as trade and industrial organisations. The details of each approved application are set out below-

**Enterprise Support Programme (54 applications)**

	<b>Industry*</b>	<b>Project Nature</b>	<b>Funding Approved (HK\$)</b>
<b><i>Manufacturing industries</i></b>			
1.	Textiles & Clothing	Branding, Upgrading & Domestic Sales	61,500
2.	Industrial Machinery	Branding & Domestic Sales	114,500
3.	Plastics	Upgrading & Domestic Sales	168,466.5
4.	Metals Products	Upgrading	200,875
5.	Gifts	Branding	220,000
6.	Watches & Clocks	Branding, Upgrading & Domestic Sales	259,152.5
7.	Household Products	Branding, Upgrading & Domestic Sales	345,000
8.	Herbal Medicine & Health Supplement Products	Branding, Upgrading & Domestic Sales	370,750
9.	Electronics	Branding, Upgrading & Domestic Sales	376,200
10.	Electronics	Branding, Upgrading & Domestic Sales	411,000
11.	Environmental Products	Branding, Upgrading & Domestic Sales	473,688
12.	Industrial Machinery	Upgrading	480,000
13.	Electrical Appliances	Upgrading	500,000
14.	Textiles & Clothing	Upgrading	500,000
15.	Textiles & Clothing	Upgrading & Domestic Sales	500,000
16.	Toys	Branding & Domestic Sales	500,000
17.	Watches & Clocks	Branding, Upgrading & Domestic Sales	500,000
18.	Watches & Clocks	Branding & Domestic Sales	500,000
19.	Shoes	Branding, Upgrading & Domestic Sales	500,000
20.	Jewellery	Branding, Upgrading & Domestic Sales	500,000
21.	Skin Care Products	Branding	500,000
22.	Battery Packs and Chargers	Branding, Upgrading & Domestic Sales	500,000
23.	Bags and Cases	Branding, Upgrading & Domestic Sales	500,000
<b><i>Non-manufacturing industries</i></b>			
24.	Wholesale & Retail	Upgrading & Domestic Sales	15,000
25.	Wholesale & Retail	Branding, Upgrading & Domestic Sales	25,000
26.	Import & Export Trade	Branding, Upgrading & Domestic Sales	73,750
27.	Import & Export Trade	Branding	181,000
28.	Information Technology	Branding & Domestic Sales	197,600
29.	Information Technology	Branding & Domestic Sales	220,000
30.	Wine Trading	Branding, Upgrading & Domestic Sales	234,377.5
31.	Logistics	Upgrading & Domestic Sales	352,500

	<b>Industry*</b>	<b>Project Nature</b>	<b>Funding Approved (HK\$)</b>
32.	Logistics	Upgrading & Domestic Sales	357,300
33.	Information Technology	Branding & Domestic Sales	380,000
34.	Wholesale & Retail	Branding & Domestic Sales	389,400
35.	Design & Franchising	Upgrading & Domestic Sales	450,000
36.	Professional Services (including legal & accounting services)	Branding, Upgrading & Domestic Sales	458,066
37.	Import & Export Trade	Branding & Domestic Sales	464,250
38.	Wholesale & Retail	Branding, Upgrading & Domestic Sales	485,000
39.	Advertisement, Sales & Marketing	Branding, Upgrading & Domestic Sales	500,000
40.	Advertisement, Sales & Marketing	Branding, Upgrading & Domestic Sales	500,000
41.	Creative Industries (including product image and design services)	Branding & Domestic Sales	500,000
42.	Creative Industries (including product image and design services)	Upgrading & Domestic Sales	500,000
43.	Import & Export Trade	Branding & Domestic Sales	500,000
44.	Import & Export Trade	Branding, Upgrading & Domestic Sales	500,000
45.	Information Technology	Branding, Upgrading & Domestic Sales	500,000
46.	Professional Services (including legal & accounting services)	Branding, Upgrading & Domestic Sales	500,000
47.	Wholesale & Retail	Branding & Domestic Sales	500,000
48.	Wholesale & Retail	Branding, Upgrading & Domestic Sales	500,000
49.	Wholesale & Retail	Branding & Upgrading	500,000
50.	Wholesale & Retail	Branding & Domestic Sales	500,000
51.	Wholesale & Retail	Branding	500,000
52.	Wholesale & Retail	Upgrading	500,000
53.	Wholesale & Retail	Branding & Domestic Sales	500,000
54.	Health Products Trading	Branding, Upgrading & Domestic Sales	500,000

\* Applicant enterprises involved in more than one industries are catergorised based on their core business or the business with a larger scale.

**Organisation Support Programme (17 applications)**

	<b>Industry</b>	<b>Project Nature</b>	<b>Funding Approved (HK\$)</b>
1.	Printing and publishing	Branding and Upgrading	914,400
2.	Transportation	Branding and Upgrading	1,391,400
3.	Food and beverage	Branding and Domestic Sales	2,309,400
4.	Other manufacturing industries	Branding and Domestic Sales	2,534,040
5.	Other manufacturing industries	Domestic Sales	3,382,884
6.	Jewellery	Branding and Domestic Sales	3,455,730
7.	Electronics	Branding and Domestic Sales	3,462,300
8.	Plastics	Branding and Domestic Sales	3,820,500
9.	Information technology	Branding	3,870,900
10.	Information technology	Branding and Domestic Sales	3,914,100
11.	Medical and optical devices	Domestic Sales	4,144,455
12.	Other manufacturing industries	Branding and Domestic Sales	4,204,800
13.	Other non-manufacturing industries	Upgrading and Domestic Sales	4,429,058
14.	Electronics	Branding	4,489,200
15.	Enterprises in general	Domestic Sales	4,542,750
16.	Information technology	Branding and Domestic Sales	4,774,500
17.	Enterprises in general	Branding and Domestic Sales	5,000,000

Name in block letters: ANDREW HY WONGPost Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)Date: 26.3.2013

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

**CEDB(CIT)128**

Question Serial No.

1645

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

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:

- (a) the number of prosecutions initiated by the Bureau under the Trade Descriptions Ordinance (false trade descriptions), the number of successful convictions, the nature and categories of the cases concerned as well as the prices/charges of the commodities/services involved over the past three years (i.e. 2010-11, 2011-12 and 2012-13);
- (b) the number of cases requiring investigation by the Bureau into false trade descriptions and mis-statements on Internet trading platforms, the number of prosecutions and successful convictions, the nature and categories of these cases as well as the prices/charges of the commodities/services involved over the past three years (i.e. 2010-11, 2011-12 and 2012-13); and
- (c) the anticipated implementation progress and details of the work plan for 2013-14 on bringing the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 into operation and keeping in view its effectiveness in tackling unfair trade practices that may be deployed in consumer transactions.

Asked by: Hon. QUAT, Elizabeth

Reply:

- (a) The number of prosecutions and successful convictions, the nature and categories of the cases concerned, and the values of goods involved in successful convictions initiated by the Customs and Excise Department in respect of false trade descriptions under the Trade Descriptions Ordinance in the past 3 years are as follows –

Year	2010		2011		2012	
Nature and category of cases concerned	Unfair trade practices (Note 1)	False trade descriptions (Note 2)	Unfair trade practices (Note 1)	False trade descriptions (Note 2)	Unfair trade practices (Note 1)	False trade descriptions (Note 2)
Number of prosecutions	0	65	0	58	2	77
Number of successful convictions	0	65	0	55	2	75
Values of goods involved in successful convictions	-	About \$6.27 million	-	About \$3.21 million	About \$0.15 million	About \$9.58 million

- (b) The numbers of investigations, prosecutions and successful convictions, the nature and categories of the cases concerned, and the values of goods involved in successful convictions initiated by the Customs and Excise Department in respect of false trade descriptions (covering mis-statements) on Internet trading platforms in the past 3 years are as follows –

Year	2010	2011	2012
Nature and category of cases concerned	False trade descriptions (Note 2)	False trade descriptions (Note 2)	False trade descriptions (Note 2)
Number of investigations	8	10	18
Number of prosecutions	1	0	1
Number of successful convictions	1	0	1
Values of goods involved in successful convictions	\$120	-	\$51,104

- (c) The Government is committed to combating unfair trade practices so as to protect consumer interests and create a level playing field for businesses. The Legislative Council passed the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (“Amendment Ordinance”) on 17 July 2012. The Customs and Excise Department and the Communications Authority as the enforcement agencies consulted the stakeholders and the general public on the draft enforcement guidelines for the Amendment Ordinance from 7 December 2012 to 17 March 2013. The enforcement agencies are examining the views received during the consultation and will revise the enforcement guidelines as appropriate. Besides, this Bureau is coordinating the education and publicity programmes with a view to enhancing the understanding of traders and consumers of the Amendment Ordinance.



This Bureau plans to bring the Amendment Ordinance into operation within 2013, and will in coordination with the enforcement agencies review the effectiveness of the Amendment Ordinance in combating unfair trade practices in consumer transactions from time to time in the light of consumers' complaints and enforcement experience.

(Note 1) : Offences covered by the existing sections 13A, 13B and 13C of the Trade Descriptions Ordinance.

(Note 2) : Offences covered by the existing section 7 of the Trade Descriptions Ordinance.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)129**

Question Serial No.

2111

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:

According to Paragraph 38 of the Budget Speech, the Administration is “actively working with the Hong Kong Tourism Board to promote cruise tourism, and collaborate with the travel trade and neighbouring ports on itinerary development and regional co-operation.” In this connection, please advise on:

- (a) the estimated expenditure and manpower required for the promotional activities for this year;
- (b) details and timetable of the promotional activities; and
- (c) the plan and schedule drawn up to collaborate with the travel trade and neighbouring ports.

Asked by: Hon. QUAT, Elizabeth

Reply:

The Kai Tak Cruise Terminal will commence operation in June 2013. In 2013-14, the major initiatives of the Hong Kong Tourism Board (HKTB) in the promotion of cruise tourism include:

- (a) Strengthening Hong Kong's image as Asia's Cruise Hub
  - (i) Widely promote Hong Kong's advantages in cruise tourism to the trade and media through major regional and international industry fairs and events.
  - (ii) To tie in with the opening of the Kai Tak Cruise Terminal, the HKTB will invite overseas media to cover the relevant news during the opening period and in the second half of the year.

(b) Encouraging cruise companies to include Hong Kong in their itineraries and stimulate consumer demand for cruise travel

(i) Encourage cruise companies to increase the number of ship calls to Hong Kong and to choose Hong Kong as homeport through the co-op marketing fund.

(ii) Stimulating consumer interest in cruise travel in the Mainland, especially South China, by organising consumer promotion activities and through advertising, public relation initiatives and digital marketing. In addition, there is also a plan to set up designated teams in major Mainland cities, including Guangzhou and Shanghai, to support the development and promotion of cruise tourism business in the Mainland.

(iii) Roll out promotion activities in such markets as the US and Australia to raise consumer interest in fly-cruise travel to Hong Kong. Furthermore, the HKTB will pilot a scheme to attract corporations and organisations in Mainland China and India to organise charter sailings as incentive programmes, combining Meetings, Incentive Travels, Conventions and Exhibitions (MICE) and cruise travel.

(c) Enhancing onshore experience of cruise passengers

Through the “New Tour Product Development Scheme”, the HKTB will encourage the trade to develop new and innovative shore excursion programmes.

(d) Supporting co-operation between Hong Kong and neighbouring ports

The HKTB will continue to support the Government in strengthening co-operation with other ports in the region to develop regional cruise itineraries and diversified cruise travel products.

The HKTB’s estimated budget for promoting cruise tourism in 2013-14 is about HK\$15.6 million.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)130**

Question Serial No.

2112

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:

For each of the past 3 years (i.e. 2010-11, 2011-12 and 2012-13) as well as 2013-14, please list the projects carried out/to be carried out by the Administration to develop new tourist attractions and facilities and to enhance existing ones, and their respective expenditures and manpower involved.

Asked by: Hon. QUAT, Elizabeth

Reply:

In the past three years and 2013-14, major capital investment projects on the tourism front include the continuous development and expansion of the Hong Kong Disneyland and Ocean Park, as well as the construction of the Kai Tak Cruise Terminal. In addition, during this period, we continue to enhance a number of existing tourist attractions and facilities. The Ngong Ping Piazza Project has been completed. Projects in progress and under planning include Aberdeen Tourism Project and Lei Yue Mun Waterfront Enhancement Project. Expenditure and staffing involved in these projects are set out below:

(a) Expansion of the Hong Kong Disneyland

The expansion plans for the Hong Kong Disneyland (HKD) include Toy Story Land, Grizzly Gulch, Mystic Point and the new themed area featuring "Marvel heroes". In 2009, HKD estimated that the capital cost for the first three themed areas would amount to \$3.63 billion. According to the agreement between the Government and The Walt Disney Company (TWDC) on the expansion and operation of HKD in 2009, TWDC would contribute most of the new capital for the expansion of the first three themed areas (\$3.5 billion) while the remainder would be covered by the operating surplus of HKD. The expenditure for the further expansions is funded by the joint venture company of HKD and is not included in the Government's budget.

(b) Expansion of the Ocean Park

The Ocean Park completed the Master Redevelopment Plan (MRP) in mid 2012. Major attractions completed in the past three years included the Aqua City, Rainforest, Thrill Mountain and Polar Adventure. Total cost of the MRP amounted to around \$5.55 billion. The Government loan and the commercial loan guaranteed by the Government each contributed to one-fourth of the total cost respectively. Moreover, the Ocean Park will develop the Tai Shue Wan area into a new integrated theme zone with the main focus on an all-weather waterpark. The estimated capital cost of the project is about \$2.3 billion. The Government will provide a \$2.3 billion loan to the Ocean Park.

(c) Kai Tak Cruise Terminal

The approved project estimate for the Kai Tak Cruise Terminal is \$8,156 million. The actual expenditure in 2010-11 and 2011-12 were \$1,203 million and \$1,743 million respectively. The estimated expenditure in 2012-13 and 2013-14 are \$2,623 million and \$516 million respectively.

(d) Ngong Ping Piazza Project

The estimated total expenditure for the Ngong Ping Piazza Project is \$77.5 million. The actual expenditure in 2010-11 and 2011-12 were \$14.71 million and \$2.83 million respectively. The estimated expenditure in 2012-13 and 2013-14 are \$1.58 million and \$1.06 million respectively.

(e) Aberdeen Tourism Project

The project aims to carry out improvement works, with the theme of a traditional fishermen's village, for the promenade on both sides of the Aberdeen Harbour as well as Ap Lei Chau Main Street and adjacent streets. Funding approval from the Finance Committee for the project was sought in February 2011. The estimated total expenditure for the project is \$288.1 million. As the project was still at the planning stage in 2010-11, there was no expenditure during the period. The actual expenditure in 2011-12 was \$22.41 million. The estimated expenditure in 2012-13 and 2013-14 are \$89 million and \$52.37 million respectively.

(f) Lei Yue Mun Waterfront Enhancement Project

The relevant works department is working on the required statutory procedures for gazettal of the project works under the Foreshore and Seabed (Reclamations) Ordinance. It is expected that funding approval for the project would be sought from the Finance Committee in 2013. The estimated total expenditure for the project is \$253 million. As the project was still at the planning stage from 2010-11 to 2012-13, there was no expenditure during the period. The estimated expenditure in 2013-14 is \$9.842 million.

The staffing of the above projects has been subsumed into the establishment of the Commerce, Industry and Tourism Branch of this Bureau for 2010-11 to 2013-14, and it is difficult to quantify the amount separately.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)131**

Question Serial No.

2116

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

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 Bureau will establish a Competition Commission and a Competition Tribunal and continue the preparatory work for full implementation of the Competition Ordinance in 2013-14. Please provide the action plan, timetable, estimated expenditure and manpower in 2013-14.

Asked by: Hon. QUAT, Elizabeth

Reply:

We will implement the Competition Ordinance (the Ordinance) in phases so that the public and the business sector can familiarise themselves with the new legal requirements during the transitional period and make necessary adjustments. The immediate work is to establish the Competition Commission (the Commission) and the Competition Tribunal (the Tribunal). In this regard, the Legislative Council has passed the Competition Ordinance (Commencement) Notice 2012. Provisions relating to the Commission commenced on 18 January 2013 and those relating to the Tribunal will commence on 1 August 2013. Once established, the Commission will conduct publicity campaigns and public education activities, and prepare the guidelines related to the enforcement of the Ordinance. At the same time, the Judiciary will prepare subsidiary legislation relating to the Tribunal proceedings and make other necessary arrangements to prepare for the full operation of the Tribunal. The preparatory work is expected to take at least one year to complete.

In 2013-14, we have earmarked \$82 million under Programme (4) for the establishment and operation of the Commission. Under the Ordinance, the Commission is an independent statutory body and may employ staff and engage other persons on contract for services as it considers necessary to perform its functions. Upon establishment, the Commission will decide on its staff establishment having regard to the operational requirements. As regards the provisions and staffing for the establishment of the Tribunal, they are reflected in Head 80 – Judiciary.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013



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

**CEDB(CIT)132**

Question Serial No.

2117

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:

Regarding the Economic Development Commission set up by the Government, please advise of:

- (a) the Commission's estimated expenditure and manpower requirements in 2013-14; and
- (b) the Commission's work plan and timetable for the year.

Asked by: Hon. QUAT, Elizabeth

Reply:

- (a) Secretariat support for the Economic Development Commission (EDC) and two of its Working Groups (namely the Working Group on Convention and Exhibition Industries and Tourism and the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries) is provided by the Commerce and Economic Development Bureau. The relevant work will be handled by existing manpower and an additional Senior Administrative Officer (involving an additional expenditure of about \$1.13M). The expenses of the EDC's operation in the first year will depend on the discussions of the EDC on the necessary work or plans (e.g. researches) that it needs to conduct. The expenditure involved will be absorbed by this Bureau's existing resources and cannot be assessed at this stage. Secretariat support for the EDC's other two Working Groups (namely the Working Group on Transportation and the Working Group on Professional Services) is provided by the Transport and Housing Bureau and the Development Bureau respectively.

- (b) The EDC will provide visionary direction and advice to the Government on the overall strategy and policy to broaden Hong Kong's economic base and to enhance Hong Kong's economic growth and development; and in particular, it will explore and identify growth sectors or clusters of sectors which present opportunities for Hong Kong's further economic growth, and recommend possible policy and other support for these industries. Its four Working Groups will provide concrete advice on the policy and support measures that the Government should put in place in respect of the industries under their respective purviews. The types and contents of any researches that the EDC and its Working Groups may conduct will be subject to the discussions of the EDC and the Working Groups. The expenditure involved cannot be assessed at this stage.

The EDC held its first meeting on 13 March 2013, at which how to promote Hong Kong's further economic development and maintain Hong Kong's long term competitiveness was discussed, and the overall direction of the work of the four Working Groups was decided. The Working Groups will convene meetings respectively to commence studies and discussion on the industries under their ambits and in accordance with the overall direction laid down by the EDC, and will submit their comments and recommendations to the EDC. As the areas covered by the Working Groups differ, the time that they need to undertake the relevant work may differ. The Working Groups will submit progress reports to the EDC as necessary. The EDC may conduct meetings in the light of the reports submitted by the Working Groups, or as it considers necessary.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)133**

Question Serial No.

2118

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

Programme:

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce and Economic Development Bureau outsourced consultancy studies in 2012-13 and 2013-14. Please provide details of the areas of studies, names of outside organisations, contents of studies, findings (including when they are published / for Government internal reference) and expenditures involved. In respect of the consultancy study on the high value-added maritime services, when will the outsourced consultancy report be completed? When will the findings be published? What is the expenditure involved in commissioning the study? If the Administration is going to develop the services, what additional investment and supporting facilities will be required?

Asked by: Hon. QUAT, Elizabeth

Reply:

Consultancies conducted by outside organisations in 2012-13:

<b>Names of outside organisations</b>	<b>Titles and contents of studies</b>	<b>Relevant expenditure (\$)</b>	<b>Result (Date of promulgation / whether it will be used for Government's internal reference)</b>
Arthur D. Little Asia Pacific Ltd.	Consultancy study on the future demand and supply of Hong Kong's exhibition facilities (2012)	800,000	The result of the consultancy study is for Government's internal reference.

<b>Names of outside organisations</b>	<b>Titles and contents of studies</b>	<b>Relevant expenditure (\$)</b>	<b>Result (Date of promulgation / whether it will be used for Government's internal reference)</b>
<p>King &amp; Wood, Gilbert + Tobin</p> <p>(King &amp; Wood has merged with another law firm to form the 'King &amp; Wood Mallesons' (金杜律師事務所) since 1.3.2012.)</p>	<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</p> <p>(continuing the consultancy study in 2011-12)</p>	3,356,100	The advice from the consultant is for Government's internal consideration.
Automated Systems (HK) Limited	<p>Government Electronic Trading Services – Feasibility study on enhancing the trade declaration computer system</p> <p>(continuing the consultancy study in 2011-12)</p>	2,446,664	The advice from the consultant is for Government's internal consideration.
Scott Wilson Ltd.	<p>Business viability study for the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market</p> <p>(continuing the consultancy study in 2011-12)</p>	480,600	The advice from the consultant is for Government's internal consideration.
KPMG Corporate Finance Limited	<p>Appointment of financial consultant for assessment of proposals and related matters in connection with the Ocean Park's Tai Shue Wan Development Project</p> <p>To provide consultancy services advising on financial, business, economic, financing arrangement and other relevant aspects for the Ocean Park's Tai Shue Wan Development Project</p>	590,200	The advice from the consultant is for Government's internal consideration.

<b>Names of outside organisations</b>	<b>Titles and contents of studies</b>	<b>Relevant expenditure (\$)</b>	<b>Result (Date of promulgation / whether it will be used for Government's internal reference)</b>
Scott Wilson Ltd.	Consultancy study to identify suitable international mega events to be introduced into Hong Kong under the Mega Events Fund's Tier-1 system	193,800	The recommendations from the consultant are for reference by the Mega Events Fund Assessment Committee and the Government.

Provision has been allocated for conducting the following consultancy studies in 2013-14:

<b>Names of outside organisations</b>	<b>Titles and contents of studies</b>	<b>Relevant estimated expenditure (\$)</b>	<b>Result (Date of promulgation / whether it will be used for Government's internal reference)</b>
Scott Wilson Ltd.	Business viability study for the proposed dining and tourist facilities at/near the Aberdeen Wholesale Fish Market  (continuing the consultancy study in 2012-13)	106,800	The advice from the consultant is for Government's internal consideration.
KPMG Corporate Finance Limited	Appointment of financial consultant for assessment of proposals and related matters in connection with the Ocean Park's Tai Shue Wan Development Project  To provide consultancy services advising on financial, business, economic, financing arrangement and other relevant aspects for the Ocean Park's Tai Shue Wan Development Project  (continuing the consultancy study in 2012-13)	215,700	The advice from the consultant is for Government's internal consideration.

<b>Names of outside organisations</b>	<b>Titles and contents of studies</b>	<b>Relevant estimated expenditure (\$)</b>	<b>Result (Date of promulgation / whether it will be used for Government's internal reference)</b>
Scott Wilson Ltd.	Consultancy study to identify suitable international mega events to be introduced into Hong Kong under the Mega Events Fund's Tier-1 system  (continuing the consultancy study in 2012-13)	323,000	The recommendations from the consultant are for reference by the Mega Events Fund Assessment Committee and the Government.

This branch has not engaged and has no plan to engage any consultancy study on the high value-added maritime services.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)134**

Question Serial No.

0256

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:

In paragraph 37 of the Budget Speech, the Government mentions that the Hong Kong Disneyland will launch a new night-time parade and will put in place a themed area featuring "Marvel heroes". These new projects will be funded by the Disneyland's operating surplus and the Government would not need to make further injection of fund. Yet, looking back to the previous expansion made by the Hong Kong Disneyland, the SAR Government injected \$6.25 billion as equity. What measures will the Administration adopt in order to avoid further injection of fund for the foreseeable increase in construction cost for the upcoming expansion plan?

Asked by: Hon. Abraham SHEK, Lai-him

Reply:

In 2009, the Government reached agreement with The Walt Disney Company (TWDC) on the expansion of Hong Kong Disneyland (HKD) and to implement a package of arrangements relating to the expansion and operation of HKD, with a view to improving HKD's operating and financial performance. TWDC agreed to contribute new capital as equity (about \$3.5 billion) for the construction of new attractions as well as for sustaining the park's operation during the construction years, and to convert the entire outstanding balance of TWDC loan (\$2.76 billion) to equity. The total amount of injection was \$6.25 billion. The Government did not have to inject any new capital for the expansion. To maintain the Government's majority shareholding in the joint venture company while deleveraging its liability, the Government also agreed to progressively convert part of the Government loan to equity to match, on a dollar to dollar basis, the new capital contribution and loan conversion by TWDC, subject to the Government retaining a loan balance of not less than \$1 billion.

HKD's current expansion is progressing well. The construction costs are within the budget. When considering the further expansion of attractions, HKD will take into account any potential increase in the construction costs. The Government will also urge HKD to uphold the principle of prudent financial management and monitor closely the expenditure in relation to the expansion. With the first reported net profit in fiscal year 2012, as well as the opening of the third themed area under the current expansion, Mystic Point in the middle of this year, we are confident that the business of HKD will continue to improve, allowing HKD to accumulate sufficient operating surplus for its future expansion. The Government will not be required to inject any new capital for the further expansion. The financing arrangements for hotel development are subject to further discussion between the Government and TWDC.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013



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

**CEDB(CIT)135**

Question Serial No.

1560

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:

Regarding the task to “provide secretariat services and relevant support to the new Economic Development Commission”, would the Administration advise of the following:

- (a) What is the 2013-14 estimated expenditure of the Bureau in this area?
- (b) What are the number and rank of the officials responsible?
- (c) Will the secretariat services and relevant support be provided in tandem with other policy bureaux?
- (d) What will the concrete action plan comprise?

Asked by: Hon. SIN Chung-kai

Reply:

Secretariat support for the Economic Development Commission (EDC) and two of its Working Groups (namely the Working Group on Convention and Exhibition Industries and Tourism and the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries) is provided by the Commerce and Economic Development Bureau. The relevant work will be handled by existing manpower and an additional Senior Administrative Officer (involving an additional expenditure of about \$1.13 million). The expenses of the EDC's operation in the first year will depend on the discussions of the EDC on the necessary work or plans (e.g. researches) that it needs to conduct. The expenditure involved will be absorbed by this Bureau's existing resources and cannot be assessed at this stage. Secretariat support for the EDC's other two Working Groups (namely the Working Group on Transportation and the Working Group on Professional Services) is provided by the Transport and Housing Bureau and the Development Bureau respectively.

The EDC will provide visionary direction and advice to the Government on the overall strategy and policy to broaden Hong Kong's economic base and to enhance Hong Kong's economic growth and development; and in particular, it will explore and identify growth sectors or clusters of sectors which present opportunities for Hong Kong's further economic growth, and recommend possible policy and other support for these industries. Its four Working Groups will provide concrete advice on the policy and support measures that the Government should put in place in respect of the industries under their respective purviews. The types and contents of any researches that the EDC and its Working Groups may conduct will be subject to the discussions of the EDC and the Working Groups. The expenditure involved cannot be assessed at this stage.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)136**

Question Serial No.

1561

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

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 original estimated financial provision under Programme (4) Posts, Competition Policy and Consumer Protection for 2012-13 was \$90.6 million, while the revised estimate was \$15.5 million, representing a difference of 82.9%. Will the Administration advise on the reasons and details for the huge difference between the original and revised estimates? Besides, the estimated financial provision for 2013-14 is \$93.3 million, an increase of \$77.8 million over the revised estimate for 2012-13. Will the Administration advise on the details of the projects for which the increased provision will be used?

Asked by: Hon. SIN Chung-kai

Reply:

Provision in the original estimate for Programme (4) in 2012-13 was earmarked mainly for the preparatory work relating to the Competition Commission (the Commission) should the Competition Bill be passed within 2012-13. Taking account of the enactment of the Competition Ordinance (the Ordinance) in June 2012 and the progress of preparatory work afterwards, the estimate for 2012-13 was revised downwards by \$75.1 million. The increase in the estimate for 2013-14 by \$77.8 million is mainly due to the provision earmarked for the establishment and operation of the Commission in 2013-14. It caters for the recruitment and employment of the Commission's staff, the preparation and leasing of the Commission's office accommodation as well as research and promotional work of the Commission.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

Examination of Estimates of Expenditure 2013-14

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

Reply Serial No.

**CEDB(CIT)137**

Question Serial No.

1562

Head: 152 Government Secretariat: Commerce and Subhead (No. & title):  
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:

What is the estimated expenditure on emoluments payable to the Secretary, the Under Secretary and the Political Assistant in 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

For budgetary purposes, the provisions for the salary in respect of the positions of Director of Bureau, Deputy Director of Bureau and Political Assistant to Director of Bureau in the Commerce and Economic Development Bureau for 2013-14 are \$3.38 million, \$2.54 million and \$1.18 million respectively.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)138**

Question Serial No.

1564

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

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 (the Council) will “enhance co-operation with law enforcement agencies in areas such as case referral and market intelligence in view of the impending implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012”. In this connection, please advise of:

- (a) the Council’s estimated expenditure for this item in 2013-14;
- (b) the specific work plan and the projects included; and
- (c) the schedule or timetable for 2013-14.

Asked by: Hon. SIN Chung-kai

Reply:

The Customs and Excise Department and the Communications Authority are the enforcement agencies of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (Amendment Ordinance) to be implemented within 2013. The Consumer Council will work with the enforcement agencies on the arrangements for referring and handling complaints such that suspected breaches of the Amendment Ordinance will be handled promptly by the enforcement agencies. For cases not involving breaches of the law, the Consumer Council will handle them in accordance with the current practice, providing advice to the complainants and assist in conciliating between them and traders concerned. The Consumer Council will also implement consumer education programmes in respect of the Amendment Ordinance. Mainly due to the enhanced role

of the Consumer Council after the implementation of the Amendment Ordinance, the provision for the Consumer Council for 2013-14 is \$5.5 million higher than the revised estimate for 2012-13.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)139**

Question Serial No.

1568

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

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 the Commerce, Industry and Tourism Branch (CITB) will “promote facilities and venues on Lantau Island and new hotels to enrich product offerings for accommodating various group sizes”, would the Administration advise on:

- (a) the estimated expenditure to be involved by the CITB in 2013-14;
- (b) the number and rank(s) of officers undertaking the task;
- (c) items to be included in specific projects; and
- (d) progress and time table within 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

Throughout 2013-14, the Hong Kong Tourism Board (HKTB) will continue to promote Lantau Island as a one-stop MICE (meetings, incentive travels, conventions and exhibitions) hub to attract more overseas organisers to bring their meeting and incentive events to the island.

During the year, the HKTB will promote the special tourism offerings of Lantau Island to MICE organisers at large-scale travel trade shows. It will also arrange for MICE associations to conduct familiarisation trips to Hong Kong to experience the edge of Lantau Island as a MICE destination, and encourage them to include the island in their itineraries, so as to create more business opportunities for the trade.

The HKTB will join hands with various MICE and related trade partners to roll out the second phase of the “Lantau Island – An Inspiration MICE Destination” publicity campaign between April and June 2013. Key initiatives include:

- Online promotion: The HKTB will promote the success stories of large-scale MICE events staged on Lantau Island, as well as the diverse and distinct features of the island, on its dedicated website concerning Lantau Island’s MICE and popular trade websites. In addition, the HKTB will focus on five short-haul markets in its promotion of the island’s MICE offerings, namely Mainland China, India, Singapore, Thailand and Indonesia, through social media, such as Facebook and LinkedIn, as well as e-newsletters.
- Print promotion: The HKTB will produce advertorials to be placed in regional MICE magazines to highlight and promote the MICE facilities and advantages of Lantau Island to the overseas travel trade. It will also produce a special publication on Lantau Island’s MICE offerings and distribute it to the overseas travel trade through the HKTB’s worldwide offices.

The second phase of the “Lantau Island – An Inspiration MICE Destination” promotion will be carried out by the Meetings and Exhibitions Hong Kong Office under the HKTB, with a budget of \$750,000. Moreover, the MICE trade partners of Lantau Island also plan to allocate resources to enrich the content of the campaign.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)140**

Question Serial No.

1578

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:

On “regulating the operation of the Mainland inbound tour groups and improving the regulation of tourist guides”, please advise:

- (a) What is the approximate estimated expenditure of the Bureau in this area for 2013-14?
- (b) What are the number and ranks of officers responsible for this task?
- (c) What items are included in the concrete action plan?
- (d) What is the progress or timetable in 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) – (b) The Tourism Commission (TC) under the Commerce, Industry and Tourism Branch (CITB) of the Commerce and Economic Development Bureau is responsible for supporting and assisting the Travel Industry Council of Hong Kong (TIC) in implementing measures for regulating the operation of the Mainland inbound tour groups and improving the regulation of tourist guides. The expenditure on such work has been subsumed into the provision for 2013-14 for CITB. It is difficult to quantify such expenditure separately. Apart from the Commissioner for Tourism (CT) and other staff in the TC who are responsible for such work, the Secretary for Commerce and Economic Development and the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) also supervise this work.

- (c) – (d) The TIC’s “Task Force on the Review of the Operation and Regulation of Mainland Inbound Group Tours” met in March this year to explore measures for strengthening the regulation of Mainland inbound tours. CT also joined the meeting. In view of the recent “3A Holidays” incident, we have formally requested the TIC to study thoroughly how to strengthen the 10 measures for regulation of Mainland inbound tours, including strengthening regulation on accommodation arrangements for Mainland inbound tours and conducting random checks on tour confirmation agreements, etc. After the TIC has ironed out details of the new measures, we will liaise with the China National Tourism Administration and solicit co-operation from related tourism authorities.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)141**

Question Serial No.

1579

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:

Regarding the task to “support the Hong Kong Tourism Board in continuing its promotion of multi-destination itineraries in key source markets and marketing efforts in new markets as well as non-Guangdong provinces of the Mainland”, please inform us of the following:

- (a) What is the approximate estimated expenditure of the Bureau in this area for 2013-14?
- (b) What are the number and ranks of officers responsible for this task?
- (c) What items are included in the concrete action plan?
- (d) What is the progress or timetable in 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) – (b) The Tourism Commission (TC) under the Commerce, Industry and Tourism Branch (CITB) of the Commerce and Economic Development Bureau is responsible for supporting the Hong Kong Tourism Board (HKTB) in continuing its promotion of multi-destination itineraries in key source markets and marketing efforts in new markets as well as non-Guangdong provinces of the Mainland. The expenditure on such work has been subsumed into the provision for 2013-14 for CITB. It is difficult to quantify such expenditure separately. Apart from the Commissioner for Tourism (CT) and other staff in the TC who are responsible for such work, the Secretary for Commerce and Economic Development and the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) also supervise this work.

The estimated budget of the HKTB for developing and promoting multi-destination itineraries in 2013-14 is HK\$5.5 million. For promotions in new markets and Mainland cities other than Guangdong province, the reserved budgets are HK\$29.8 million and HK\$42.9 million respectively.

- (c) – (d) In 2013-14, the HKTB will continue to promote multi-destination itineraries with Shenzhen, Macao, Guangdong Province and Yunnan Province, and extend the collaborative network to Sichuan Province. In addition to attending trade shows and launching roadshows with its provincial and municipal partners, the HKTB will promote multi-destination travel to consumers through online channels. The HKTB also encourages the local travel trade to develop and promote new multi-destination itineraries through the “New Product Development Scheme”. The HKTB will launch roadshows in Southeast Asia, including Thailand and Indonesia, and encourage the travel trades in these markets to develop multi-destination itineraries featuring Hong Kong and Shenzhen. At the same time, the HKTB will launch joint promotion with Macao Government Tourist Office in Russia, leveraging on the visa-free policy offered by the Macao Special Administrative Region Government to Russian travellers. The HKTB will also pilot Hong Kong-Sichuan Province itineraries in North America.

The HKTB has been actively developing new markets, including India, the Middle East, Russia, Vietnam and the Netherlands. The HKTB will roll out targeted promotions to attract visitors from these markets to visit Hong Kong during the peak travel seasons. For example, the HKTB will drive publicity through large-scale consumer activities, public relations initiatives and digital marketing promotions. In Russia and the Middle East, guidebooks on Hong Kong will be published to raise consumers’ awareness of Hong Kong.

With regards to the HKTB’s promotional budget for Mainland China, 84% will be allocated to non-Southern regions. In East and North China, the HKTB will promote Hong Kong’s mega events and cosmopolitan lifestyle through national TV stations and digital media. The HKTB will also promote Hong Kong’s arts and cultural offerings to generate fresh perspective of the city. Capitalising on the opening of the high speed express rail linking Wuhan and Shenzhen, the HKTB will set up a dedicated office to attract visitors arriving from cities in Central and West China to go to Hong Kong after visiting Shenzhen.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)142**

Question Serial No.

1580

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:

Regarding the efforts to “liaise with relevant Mainland authorities to facilitate the implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement and other measures to make it more convenient for Mainland residents to visit Hong Kong”, please advise of:

- (a) the Bureau’s estimated expenditure for this item in 2013-14;
- (b) the number of officers undertaking this task and their ranks;
- (c) the specific work plan and the projects included; and
- (d) the schedule or timetable for 2013-14.

Asked by: Hon. SIN Chung-kai

Reply:

- (a) – (b) The Tourism Commission (TC) under the Commerce, Industry and Tourism Branch (CITB) of the Commerce and Economic Development Bureau is responsible for this work. The expenditure on such work has been subsumed into the provision for 2013-14 for CITB. It is difficult to quantify such expenditure separately. Apart from the Commissioner for Tourism and other staff in the TC who are responsible for such work, the Secretary for Commerce and Economic Development and the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) also supervise this work.

- (c) – (d) We will continue to monitor closely the implementation of the tourism-related liberalisation measures under the Mainland and Hong Kong Closer Economic Partnership Arrangement and maintain close liaison with the China National Tourism Administration in this aspect. We will also keep travel agents in Hong Kong posted of the latest updates through the Travel Industry Council of Hong Kong, so that the travel trade would be able to make good use of the measures. As regards Mainland residents visiting Hong Kong, the Government is assessing the overall capacity of Hong Kong to receive tourists. The areas taken into account include the handling capacity of boundary control points, receiving capacity of tourist attractions and the public transport system, supply of hotel rooms, economic effects of the Individual Visit Scheme, and its impact on the livelihood of the community, etc. Upon completion of the assessment, the Government of the Special Administrative Region will commence liaison with the relevant Mainland authorities to exchange views in this aspect.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)143**

Question Serial No.

1581

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:

It is stated in the Budget Speech that “buoyant tourism will undoubtedly put pressure on our control points, hotels, tourist attractions and shopping centres”. How much will be spent by the Administration in 2013-14 to study and review the tourism policy of Hong Kong and its capacity to receive visitors? What are the number and rank(s) of government officers responsible for the above work? And what will be included in the specific work plan?

Asked by: Hon. SIN Chung-kai

Reply:

The Government is assessing the overall capacity of Hong Kong to receive tourists. The areas taken into account include the handling capacity of boundary control points, receiving capacity of tourist attractions and the public transport system, supply of hotel rooms, economic effects of the Individual Visit Scheme, and its impact on the livelihood of the community, etc. All policy bureaux and government departments responsible for the above areas are involved in the assessment work. Regarding the tourism aspect, apart from the Commissioner for Tourism and other staff in the Tourism Commission who are responsible for such work, the Secretary for Commerce and Economic Development and the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) also supervise this work. The expenditure on such work has been subsumed into the provision for 2013-14 for the Commerce, Industry and Tourism Branch. It is difficult to quantify such expenditure separately.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)144**

Question Serial No.

1582

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 Chief Executive has announced that the HKSAR Government and the Ministry of Commerce will set up a joint working group to assist the sectors concerned to solve problems they encounter in gaining access to the Mainland market under CEPA”, please advise:

- (a) what will be the estimated expenditure that the Bureau spends on this work in 2013-14?
- (b) what are the respective number and ranks of officers tasked for this work?
- (c) what projects will be included in the specific work plans?
- (d) what is the progress or schedule for 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

The joint working group will provide targeted assistance to sectors which have encountered relatively more entry barriers, according to the feedback from the sectors concerned, and help them to resolve CEPA implementation problems in individual provinces and municipalities. Trade and Industry Department (TID) is coordinating with relevant policy bureaux and departments as well as the offices of the HKSAR Government in the Mainland to collate feedback from the trade on their problems in using the CEPA liberalisation measures, for the purpose of setting priority and relevant work agenda. TID and the Mainland counterpart will draw up a detailed work plan, with a view to convening the first working group meeting in the second quarter of the year. The manpower and financial resources involved in the work will be absorbed by relevant bureaux or departments. We do not have information on the actual amount.



The additional work will be taken up by TID's existing manpower resources. The ranks of the responsible officers range from Assistant Trade Officers to Director-General of Trade and Industry.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)145**

Question Serial No.

1988

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:

Regarding the task to “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”, please advise this Committee:

- (a) What is the rough estimate of expenditure for this task in 2013-14?
- (b) How many officers are responsible for this task and what are their respective ranks?
- (c) What items are included in the specific action plan?
- (d) What is the planned progress or timetable in 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

In 2013-14, 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 the trade’s 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 relay to them the trade’s views and to discuss with them measures to support the trade;

- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities such as symposiums and seminars through the Trade and Industry Department (TID) and Mainland Offices to enhance the trade's understanding of the Mainland's new policies, regulations and business environment. TID's website includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland;
- organising promotional activities and trade fairs and organising delegations to visit the Mainland through the Hong Kong Trade Development Council (TDC), 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 Mainland market information through the TDC and the Hong Kong Productivity Council, etc.;
- with regard to financial support, assisting small and medium enterprises (SMEs) through the on-going "SME Funding Schemes" in areas such as market promotion, acquisition of equipment, upgrading of operational and technical skills, business restructuring or relocation;
- through the Dedicated Fund on Branding, Upgrading and Domestic Sales launched on 25 June 2012, providing funding support to individual enterprises and non-profit-making organisations, so as to assist enterprises in enhancing their competitiveness and facilitating their business development in the Mainland, and capturing the opportunities arising from the National 12th Five-year Plan;
- setting up more Design Gallery shops by the TDC in Mainland cities other than Beijing and Guangzhou to offer platforms for Hong Kong enterprises, especially SMEs, to showcase their products and to build up greater awareness of Hong Kong brands in the Mainland; and
- arranging Mainland Offices to collaborate with trade associations and other organisations to organise "Hong Kong Week" promotional events in the Mainland in 2013, in order to promote Hong Kong products and services, with a view to assisting Hong Kong enterprises in building up their brand image and exploring the domestic market.

The Mainland authorities have responded positively to many proposals of the Government and the trade. Various facilitation and support measures were launched in the past few years, including the implementation of "restructuring without stopping production", "consolidated tax return for multiple domestic sales" and streamlining procedures for outward processing. In addition, in 2012, the "Guangdong Foreign-invested Enterprises Commodities Fair" previously held in Dongguan annually has been upgraded to a national expo and renamed as the "China Processing Trade Products Fair", so as to further assist foreign-invested enterprises (including Hong Kong-funded enterprises) in the Mainland in exploring the domestic sales market and promote the upgrading and restructuring of enterprises.

According to the figures provided by the Guangdong Provincial Government, there were about 11 000 enterprises engaged in processing trade (which are not legal persons) as at the end of 2012, of which 7 128 have successfully been restructured into one of the three types of foreign-funded enterprises (about 90% of them are Hong Kong enterprises).

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.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)146**

Question Serial No.

1989

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:

Regarding the task to “continue to monitor the development of regional economic integration and explore the opportunities for Hong Kong’s participation”, please advise this Committee:

- (a) the estimated expenditure that the Bureau will spend on this work in 2013-14;
- (b) the respective number and ranks of officers undertaking this task;
- (c) the projects to be included in the specific work plans; and
- (d) the progress or schedule for 2013-14.

Asked by: Hon. SIN Chung-kai

Reply:

The Government has been actively participating in regional economic cooperation to strengthen trade and economic relations between Hong Kong and our major trade partners in the region, to ensure that Hong Kong can participate in economic integration in the region, and to bring new opportunities and room for development for Hong Kong enterprises. The major work involves two fronts: (1) Regional Economic Cooperation; and (2) Free Trade Agreements and economic and trade arrangements.

(1) Regional Economic Cooperation

On the regional economic cooperation front, Hong Kong has been actively participating in the Asia-Pacific Economic Cooperation (APEC) to promote broader cooperation in the Asia-Pacific region. Trade between Hong Kong and other member economies of APEC accounts for some 80% of Hong Kong’s external trade. APEC has provided an excellent platform for Hong Kong to collaborate with other member economies on various trade and economic issues in the region.

APEC's primary goal is to achieve trade and investment liberalisation and facilitation for economic cooperation and growth. Hong Kong has been maintaining close economic relations with APEC member economies. Any measure which can further improve the business environment and facilitate trade and investment in the region will bring about opportunities for Hong Kong.

As far as trade facilitation is concerned, APEC's relevant work in this area such as simplifying customs procedures, enhancing business mobility through the APEC Business Travel Card, promoting electronic commerce and establishing mutual recognition arrangements for telecommunications, electrical and electronic equipment, etc. can help improve the region's business environment by saving business costs and time.

Generally speaking, the Chief Executive and the Secretary for Commerce and Economic Development will attend APEC Economic Leaders' Meeting and Ministerial Meetings respectively, while the Director-General of Trade and Industry will attend Senior Officials' Meetings on behalf of Hong Kong, China. The Trade and Industry Department (TID) not only participates in meetings of various APEC fora, but also coordinates participation of other bureaux and departments in APEC. In order to support and assist APEC's operation, the Government has seconded a Senior Administrative Officer to the APEC Secretariat in Singapore to undertake work relating to administration and finance.

Moreover, Hong Kong also participates actively in the work of the Pacific Economic Cooperation Council (PECC). PECC serves as a forum for regional cooperation and policy coordination. It promotes trade and investment activities as well as economic development in the Pacific region through research and policy discussion. Participants to the PECC include government officials, business leaders and academics. TID is responsible for providing secretariat service to the Hong Kong Committee for Pacific Economic Cooperation in support of the various work and activities relating to its participation in PECC.

In 2013-14, we will continue to actively participate in the work of the regional cooperation organisations. Relevant work will proceed in accordance with the scheduled meeting dates of the abovementioned organisations and the Government has not worked out a separate timetable.

(2) Free Trade Agreements and Economic and Trade Arrangements

The Hong Kong, China – New Zealand Closer Economic Partnership Agreement (CEP Agreement), which entered into force on 1 January 2011, has been implemented smoothly. In 2013-14, we will conduct the mandated review of the implementation of CEP Agreement together with New Zealand. We will also continue to enhance the bilateral economic and trade relations between Hong Kong and New Zealand as well as implement the liberalisation measures on trade in goods and services to promote trade and economic cooperation of the two places.

The Mainland of China and the Association of Southeast Asian Nations (ASEAN) are the largest and second largest trading partners of Hong Kong respectively. In November 2011, Hong Kong submitted a request to ASEAN for joining the China-ASEAN Free Trade Area (CAFTA) with a view to enhancing regional economic integration and assisting Hong Kong businessmen and investors in further exploring the Southeast Asian markets. Since then, the Government has been lobbying at different levels. The Chief Executive, the Financial Secretary, the Secretary for Commerce and Economic Development and the Director-General of Trade and Industry have written to and visited ASEAN member states a number of times, expressing our wish to join CAFTA and elaborating the benefits of Hong Kong's joining in a bid to garner support from relevant government officials and local business associations. The Government will continue its lobbying work in 2013. The Government, the Hong Kong Trade Development Council as well as industrial and trade organisations will organise business and trade missions to ASEAN member states to promote business connections between Hong Kong and ASEAN so as to explore more business opportunities.

In February 2013, Hong Kong and Thailand signed a Cooperation Arrangement on Strengthening Trade and Economic Relations to facilitate and promote bilateral economic cooperation in many areas, and thus further strengthening the economic ties between Hong Kong and Thailand. In 2013-14, we will set up a Joint Cooperation Committee comprising senior officials from both Hong Kong and Thailand in accordance with the Cooperation Arrangement to take forward various cooperation initiatives. We will also continue to discuss with interested trading partners to strengthen trade and economic cooperation for promoting regional economic integration.

Furthermore, we have been closely monitoring the development of free trade agreements in the region including the "Regional Comprehensive Economic Partnership (RCEP)"<sup>1</sup> and will consider Hong Kong's participation as appropriate.

The work relating to regional economic integration is part of the overall work of commercial relations and the relevant expenditure has been subsumed under the overall estimated expenditure of Commerce and Economic Development Bureau and Trade and Industry Department. It is difficult to account for the number and ranks of the responsible officers undertaking this task as well as the manpower and financial resources separately.

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>26.3.2013</u>

<sup>1</sup> Currently ten ASEAN member states (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam) and six countries (Australia, China, India, Japan, New Zealand and Korea) which have signed free trade agreements with ASEAN are involved in the RCEP negotiations. The RCEP negotiations will commence in early 2013 with an aim for completion by the end of 2015.

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

**CEDB(CIT)147**

Question Serial No.

1990

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

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:

Regarding the task to “forge a closer co-operation with consumer organisations in the Mainland by organising pilot workshops and exchange programmes on complaints and advice, research and testing, as well as consumer education”, please advise this Committee:

- (a) What is the rough estimate of expenditure that the Consumer Council has planned for this task in 2013-14?
- (b) What items are included in the specific action plan?
- (c) What is the planned progress or timetable in 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) In 2013-14, the estimated expenditure for the Consumer Council (CC) to “forge a closer co-operation with consumer organisations in the Mainland by organising pilot workshops and exchange programmes on complaints and advice, research and testing as well as consumer education” is around \$490,000.
- (b), (c) The CC has over the years entered into memoranda of understanding on collaboration with the China Consumer Association, the consumer organisations in various provinces and cities in the Mainland and Macau. The memoranda of understanding have facilitated the CC and its counterparts in handling cross-boundary consumer disputes and in sharing consumer information and resources on protection of consumers’ right through collaboration on various aspects. For handling consumer complaints, the CC plans to invite the consumer organisations in the Mainland provinces and cities in 2013-14 to update the memoranda of understanding to affirm the workflow and liaison arrangements



for complaint referral, so as to handle visitors' complaints in a more efficient and effective manner. The CC is committed to maintaining regular communication with the consumer organisations in the Mainland, with a view to exploring common objectives and interests in respect of research and testing. As regards consumer education, the CC will conduct two to three demonstration workshops for the delegations of Mainland consumer organisations to illustrate its latest achievements on consumer education.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)148**

Question Serial No.

1991

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

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 Consumer Council will also assist tourists in better understanding Hong Kong’s market practices, and speed up the process of complaint handling”, please advise this Committee:

- (a) What is the rough estimate of expenditure that the Consumer Council has planned for this task in 2013-14?
- (b) What items are included in the specific action plan?
- (c) What is the planned progress or time table in 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

In 2013-2014, the Consumer Council (CC) will mainly through revamping the “Shopsmart” website assist tourists in better understanding Hong Kong’s market practices. The estimated expenditure is \$260,000.

The revamped website will provide information of different aspects of visitor spending, including reminding visitors of the relevant law of Hong Kong, the usual consumption practices and the definition of parallel trading, etc, and will also promote the awareness of consumption culture and encourage visitors’ support for sustainable consumption. The website will also include a new function for visitors to download material so that they can have a handy access to reference material when they visit Hong Kong. The revamped website is expected to be officially launched in the fourth quarter of 2013.

In respect of speeding up the process of complaint handling, if visitors are still in Hong Kong when lodging complaints, the CC will classify such cases as “imminent” cases and immediately contact the traders under complaint by telephone to seek to resolve the matters, with the aim of reaching agreements (such as returning the goods/refund) before the visitors’ departure from Hong Kong. In addition, the CC has signed memoranda of understanding on collaboration with the consumer organisations in various provinces and cities in the Mainland. The memoranda of understanding have facilitated the CC and its counterparts in handling cross-boundary consumer disputes and in sharing consumer information and resources on protection of consumers’ right through collaboration on various aspects. The CC plans to invite these consumer organisations in 2013-14 to update the memoranda of understanding to affirm the workflow and liaison arrangements for complaint referral, so as to handle visitors’ complaints in a more efficient and effective manner. The CC will continue to monitor the trend of visitors’ complaints and will appropriately deploy manpower to handle them.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)149**

Question Serial No.

1992

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:

On "continue to work with the HKTB, the tourism sector and relevant government departments in promoting nature-based tourism products in Hong Kong", please advise:

- (a) what is the approximate estimated expenditure of the Bureau in this area for 2013-14?
- (b) what are the number and ranks of officers responsible for this task?
- (c) what items are included in the concrete action plan?
- (d) what is the progress and timetable in 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

- (a)-(d) The Tourism Commission (TC) is partnering with the Agriculture, Fisheries and Conservation Department (AFCD) and the Hong Kong Tourism Board (HKTB) in promoting nature-based green tourism products via the HKTB's marketing platform "Great Outdoors Hong Kong!". In 2013-14, the HKTB will continue its promotion work in this area, and extend the "Great Outdoors Hong Kong!" campaign period from five weeks in the past to about three months. The campaign will not only focus on the promotion of the Hong Kong Global Geopark of China, hiking trails and outlying island tours, but also the promotion of Hong Kong's nature through different channels. Details of the campaign are as follows:

- For visitors or consumers
  - To organise free guided tours so as to encourage visitors to explore Hong Kong's hiking trails and outlying islands. In particular, the HKTB will explore the possibility of introducing cycling tours and guided tours to organic farms.
  - To promote tourism products which are operated by local travel agents through different channels, such as the Internet and hiking guidebooks.
  - To promote Hong Kong's major outlying islands to visitors with smartphone applications.
  
- For overseas media
  - To arrange overseas media to experience Hong Kong's outlying islands and green attractions.
  
- For overseas travel trade promotion
  - To invite overseas travel trade specialising in green tourism products to experience Hong Kong's green attractions, and encourage them to include Hong Kong's outlying island tours in their green tourism products.

Meanwhile, the TC, in collaboration with the HKTB, the travel trade and relevant departments, is implementing a pilot scheme to allow coaches to transport inbound visitors to the East Dam of the High Island Reservoir on a limited scale to further facilitate visitors to go to the Geopark, with a view to promoting nature-based tourists' activities. The TC and the relevant departments will carry out the above work with existing resources. No additional expenses and manpower will be incurred.

The HKTB's total marketing budget for 2013-14 is \$337.8 million, which has already included the expenses for promoting green tourism. As for the guided tours specially organised for visitors under the "Great Outdoors Hong Kong!", the estimated cost is about \$1.4 million. The HKTB has earmarked \$700,000 for organising the campaign and will seek additional funding support of \$700,000 through sponsorships and other incomes. This promotion work covers a wide range of areas and is undertaken by various departments of the HKTB.

Name in block letters: ANDREW HY WONG  
 Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
 Date: 26.3.2013

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

**CEDB(CIT)150**

Question Serial No.

1996

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

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:

It is stated in the Budget Speech that the "Hong Kong Trade Development Council (HKTDC) will set up more Design Galleries in Mainland cities other than Beijing and Guangzhou". Please advise on the following:

- (a) What is the approximate estimated expenditure in this area for 2013-14?
- (b) What are the number and ranks of officers responsible for this task?
- (c) What items are included in the concrete action plan?
- (d) What is the progress or timetable for 2013-14?
- (e) What was the effectiveness of setting up Design Galleries in and outside the Mainland in the past year (i.e. 2012-13)?

Asked by: Hon. SIN Chung-kai

Reply:

The Hong Kong Trade Development Council (TDC) opened Design Gallery shops at the Oriental Plaza in Beijing and the Tee Mall in Guangzhou in June 2009 and July 2012 respectively, in order to establish long-term selling outlets for Hong Kong companies to test their products in the Mainland market, as well as build up greater awareness of Hong Kong brands. Since their establishment, the Design Gallery shops have attracted the participation of over 120 Hong Kong brands, with products ranging from fashion accessories, jewellery, watches, gifts, houseware and electronic commodities etc. Many Hong Kong brands have found business partner(s) in the Mainland through the Design Gallery shops and eventually set up their own outlets in different Mainland cities.

The TDC plans to open new Design Gallery shops in Wuhan and Qingdao in 2013-14, and Chengdu in 2014-15, in order to further expand the network of Design Gallery in the Mainland. In addition, the TDC is collaborating with department stores in the Mainland to open a series of Design Gallery inside the stores under the concept of “shop-in-shop”.

The TDC estimates that the Design Gallery shops in Wuhan and Qingdao would be open in April and July this year respectively. The first “shop-in-shop” inside a department store will be open on 28 March in Shanghai this year, whereas another two “shops-in-shop” in Beijing and two more “shops-in-shop” in Wuhan will commence operation in July and October this year respectively.

The TDC’s relevant budget in 2013-14 is \$12 million, which includes the cost for shop renovation, operation and promotion.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)151**

Question Serial No.

0312

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:

Under the Programme, the Bureau indicates that it will continue with the preparation for the establishment of the statutory Travel Industry Authority and implementation of the new regulatory framework of the tourism sector during 2013-14. Regarding the regulation of the travel industry so as to safeguard workers in the sector and tourists, the Bureau is invited to state:

- a. When making such preparation, will the Bureau consider handling the current issues relating to leaders and tourist guides of tours? These issues include the absence of leaders accompanying outbound tours and the employment of illegal tourist guides by inbound tours. If yes, how will the issues be handled? What resources will be injected for handling the issues? What will be the amount involved?
- b. Will local tourist guides be funded by the Administration in terms of travelling expenses and admission fees of local attractions (e.g. theme parks)? If yes, how much will be the Government's provision for this purpose?
- c. Will the Bureau support the occupational safety and retirement protection of local tourist guides? How much will be the provision for this purpose?
- d. Regarding the above issues, i.e. the absence of accompanying leaders and the employment of illegal tourist guides, and the inadequate support to local tourist guides, what are the respective number of complaints in the past three years (i.e. 2010 to 2012)?

Asked by: Hon. TANG Ka-piu



Reply:

- (a) – (c) After the establishment of the Travel Industry Authority (TIA), tourist guides and tour escorts must apply for licences issued by the TIA. The TIA will require all tourist guides and tour escorts employed by travel agents to be holders of valid licences. Detailed rules and regulations, as well as support for the trade under the new regulatory framework, will have to be worked out after the establishment of the TIA, taking into account market needs at the time and the views of various stakeholders including travellers, tourism practitioners and trade operators.
- (d) In the past 3 years (i.e. from 2010 to 2012), the number of complaints received by the Travel Industry Council of Hong Kong (TIC) about tours without accompanying escorts were 5, 10 and 9 respectively. The TIC did not receive any complaint about employment of illegal tourist guides or inadequate support to local tourist guides. Neither the Tourism Commission nor the Travel Agents Registry had received any complaint regarding these matters during the same period.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)152**

Question Serial No.

5032

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

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 Brief Description under this Programme, it is stated that the Board will promote the improvement of facilities for visitors. Will the Administration advise on the following:

- a. What items are included as facilities for visitors? Did the Board promote similar improvement measures in the past 5 years (i.e. 2008-09 to 2012-13)? If yes, please explain in detail the contents of the promotion.
- b. By what means, or in what ways, will the Administration promote the improvement of facilities for visitors? What is the amount of money involved in the promotion process?

Asked by: Hon. TANG Ka-piu

Reply:

- (a) – (b) One area of work of the Hong Kong Tourism Board (HKTB) is to promote the improvement of facilities for visitors. The HKTB makes recommendations from the tourism angle on a wide range of areas, from the provision of the basic tourism supporting facilities, such as identifying suitable locations for putting up directional signs and mapboards for guiding visitors to tour around Hong Kong, to suggesting ways to enhance the appeal of existing and proposed facilities and attractions, such as the Hong Kong Wetland Park, the Hong Kong Global Geopark of China, revitalisation of the Yau Ma Tei Theatre and the Big Bus Tours, etc.

The HKTB conducts regular and close communication with relevant Government departments, District Councils, travel trade and other related organisations. It also takes part in various tourism-related strategic groups and meetings to exchange views on how to enhance Hong Kong's appeal through improving the above facilities for visitors. As the work covers a wide range of areas involving different channels, it is difficult for the HKTB to quantify the number of recommendations on improvement measures that it has offered in the past five years.

The above work is part of the day-to-day operations of the HKTB. It is difficult to quantify the amount of expenditure involved separately.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)153**

Question Serial No.

5091

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:

It is stated in the *Brief Description* that the Commerce, Industry and Tourism Branch will improve the regulation of tourist guides this year. As at 19.1.2013, there are 19 338 Tour Escort (TE) Pass holders in Hong Kong. Will the Government advise on the following:

- a. How many of those tour escorts and tourist guides are holding both a TE Pass and a Tourist Guide (TG) Pass at the same time?
- b. Were there any tour escorts found to have taken on the additional job of tourist guide without holding a TG Pass? If yes, how many such cases were found in the past 3 years (i.e. 2010-11 to 2012-13)? What were the expenses incurred in processing such cases? Also, how will the Government monitor the situation to ensure that all tourist guides are TG Pass holders?
- c. In the past 3 years (i.e. 2010-11 to 2012-13), how many complaint cases of outbound tours not having a tour escort were received? What were the expenses incurred in processing such cases? Please advise on the numbers of outbound tours with and without a tour escort and their ratio.
- d. Please provide information, by nature of work, on the total employment, income distribution, age distribution and job vacancies of the tourism industry in the past 3 years (i.e. 2010-11 to 2012-13).

Asked by: Hon. TANG Ka-piu

Reply:

- a. As at 15 March 2013, there were 19 335 Tour Escort Pass (TEP) holders in Hong Kong, among which 3 399 were also holders of Tourist Guide Passes (TGP).
- b. According to the Travel Industry Council of Hong Kong (TIC), no tour escorts were found to have taken on the job of tourist guide without holding a TGP in the past 3 years (i.e. 2010-11 to 2012-13). After the establishment of the Travel Industry Authority (TIA), tourist guides and tour escorts must apply for licences issued by the TIA. The TIA will require all tourist guides and tour escorts employed by travel agents to be holders of valid licences. Detailed rules and regulations have to be worked out after the establishment of the TIA, taking into account market needs at the time and the views of various stakeholders including travellers, tourism practitioners and trade operators.
- c. In the past 3 years (i.e. 2010 to 2012), the number of complaints received by the TIC about tours without accompanying escorts were 5, 10 and 9 respectively. TIC staff responsible for handling complaints also need to handle other matters. It is difficult to quantify separately the expenditure involved in handling complaints. Given that travel agents are currently not required to register with the TIC the number of outbound tours or whether accompanying escorts were arranged for individual outbound tours, we do not have information on the numbers and respective ratio of outbound tours with and without accompanying escorts.
- d. According to the latest figures released by the Census and Statistics Department (C&SD), the number of people employed by tourism and related industries in 2009 to 2011 is as follows –

	<b>Employment in 2009</b>	<b>Employment in 2010</b>	<b>Employment in 2011</b>
Tourism	192 200	215 100	233 500
● Inbound Tourism	163 600	187 800	203 900
- Retail trade	82 200	88 800	88 900
- Accomodation services	27 100	34 500	39 000
- Food and beverage services	27 900	37 300	42 800
- Cross-boundary passenger transport services	11 600	11 700	13 400
- Others	14 800	15 500	19 700
● Outbound Tourism	28 700	27 200	29 700
- Travel agency, reservation service and related activities	19 700	19 100	19 400
- Cross-boundary passenger transport services	8 900	8 200	10 300

Figures for 2012 are not yet available.

According to the C&SD's Quarterly Survey of Employment and Vacancies, statistics on the number of vacancy for selected tourism-related industries is as follows –

	<b>Number of vacancy in 2010</b>	<b>Number of vacancy in 2011</b>	<b>Number of vacancy in 2012</b>
Retail	4 940	5 910	7 900
Accommodation services and food services	6 970	8 210	12 030

According to the C&SD's General Household Survey, statistics on median age and median employment earnings for selected tourism-related industries is as follows –

	<b>Median age in 2010 (year)</b>	<b>Median age in 2011 (year)</b>	<b>Median age in Quarter 4 2012 (year)</b>
Retail	38	38	38
Accommodation services and food services	40	41	42

	<b>Median employment earnings in 2010 (\$)</b>	<b>Median employment earnings in 2011 (\$)</b>	<b>Median employment earnings in Quarter 4 2012 (\$)</b>
Retail	8,100	8,500	9,300
Accommodation services and food services	8,000	8,500	9,500

Figures for full year of 2012 are not yet available.

Name in block letters: ANDREW HY WONG  
 Post Title: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)  
 Date: 26.3.2013

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

**CEDB(CIT)154**

Question Serial No.

5092

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:

It is mentioned under Brief Description that during 2012-13, the Commerce, Industry and Tourism Branch continued with the regulation of travel agents under the existing operation and regulatory framework of the tourism sector. Regarding outbound group tours operated by travel agents, please advise:

- a. What were the numbers of outbound group tours in the past 3 years (i.e. 2010-11 to 2012-13)? Please give a breakdown by country.
- b. What were the numbers of short-haul and long-haul outbound group tours in the past 3 years (i.e. 2010-11 to 2012-13)? What were their respective percentage shares?
- c. What were the numbers of complaints and prosecutions against outbound group tour services and travel agents in Hong Kong in the past 3 years (i.e. 2010-11 to 2012-13)? Please give a breakdown by nature of complaint and destination country. What were the amounts involved in handling such complaints and prosecutions?

Asked by: Hon. TANG Ka-piu

Reply:

- a-b. Travel agents are currently not required to register the number of outbound tours with the Travel Industry Council of Hong Kong (TIC). The TIC therefore does not possess relevant figures or information on the number and respective ratio of outbound tours categorised by long-haul and short-haul destinations.

- c. In the past 3 years (ending on 31 December), the number of complaints received by the TIC about services of outbound tours (including vacation tours and study tours) categorised by nature of complaints are as below –

<b><u>Nature of complaint items</u></b>	<b><u>2010</u></b> (number of items)	<b><u>2011</u></b> (number of items)	<b><u>2012</u></b> (number of items)
Itineraries (such as arrangements on hotel accommodation, meals, tourist attractions, etc.)	867	1 082	884
Cancellation of tours	225	223	145
Travel agents' business practices, charges, service fees, and information in advertisements and itinerary leaflets	173	208	140
Services of frontline practitioners (including tour escorts, tourist guides, travel agent staff and drivers)	572	770	670
Others (such as travel insurance, travel documents and visas, bookings of flights related to extension of stay, etc.)	55	81	58
Total	1 892	2 364	1 897

The number of travel agents involved in the above complaint items were 77, 65 and 48 from 2010 to 2012 respectively. Travel destinations involved include the Mainland, Southeast Asia, the United States and Canada, Europe, the Mediterranean/Middle East, Africa, Australia, New Zealand, Maldives/Sri Lanka, Guam/Saipan, Russia, the Antarctica and the Arctic. The TIC does not have statistics of complaint items categorised by travel destinations. TIC staff responsible for handling complaints also need to deal with other matters. It is difficult to quantify separately the expenditure involved in handling complaints.

During 2011-12 to 2012-13, there were respectively 13, 4 and 3 cases of prosecution involving travel agents. All cases were related to carrying on business as a travel agent without a licence. Staff of various government departments are involved in the prosecution work. It is difficult to quantify separately the expenditure involved.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)155**

Question Serial No.

5099

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

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:

Under programme (3), the Hong Kong Trade Development Council (TDC) will continue to help Hong Kong small and medium enterprises (SMEs) identify export opportunities in emerging markets. In this connection, will the Administration advise this Committee of:

1. the number of emerging markets that the TDC helped explore in the past 3 years (from 2010-11 to 2012-13), those markets with the highest trade figures with Hong Kong SMEs, and the types of trade goods involved?
2. the emerging markets to be explored in the coming year and the types of trade goods involved?

Asked by: Hon. TANG Ka-piu

Reply:

- (a) The number of activities organised by the Hong Kong Trade Development Council (TDC) for helping Hong Kong small and medium enterprises (SMEs) to explore emerging markets in the past 3 financial years (i.e. from 2010-11 to 2012-13), the number of Hong Kong companies participated, the categories of products and the countries involved are listed below:-

	<b>Financial Year</b>		
	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
<b>Number of Activities</b>	18	26	25
<b>Number of Hong Kong Companies participated</b>	500	501	655
<b>Categories of Products involved</b>	Integrated products, gifts, household products, furniture, garments, watches and clocks, electronics and electrical components and appliance, information technology and communication products, and medical appliance.	Integrated products, gifts, household products, furniture, garments, footwear, fur, textiles and clothing accessories, watches and clocks, electronics and electrical components and appliance, information technology and communication products, medical appliance, and building and decorative materials and hardware.	Integrated products, gifts, household products, furniture, garments, footwear, textiles and clothing accessories, watches and clocks, electronics and electrical components and appliance, information technology and communication products, and medical appliance.
<b>Countries involved</b>	India, Malaysia, Vietnam, United Arab Emirates (UAE), Indonesia, Brazil, Mexico, Saudi Arabia, Bangladesh, Poland, South Africa and Turkey.	India, Malaysia, UAE, Indonesia, Brazil, Mexico, Russia, Saudi Arabia, Chile, Hungary, Bangladesh, Poland, South Africa, Turkey, Sri Lanka, Romania and Ukraine.	India, Malaysia, Vietnam, UAE, Indonesia, Brazil, Mexico, Saudi Arabia, Chile, Poland, South Africa, Turkey, Peru, Nigeria, Kenya, Myanmar and Ghana.

TDC does not have the trade figures between local SMEs and these emerging markets.

- (b) In 2013-14, TDC will focus on helping Hong Kong companies to explore the business opportunities in emerging markets with strong consumption power, including India, Indonesia, Turkey and Latin America etc.. TDC will also establish a set of appropriate and comprehensive strategies for each market, so as to promote the major export products of Hong Kong in these market such as electronics, garment and accessories, watches and clocks, jewellery, gifts and household products etc.. For example, TDC will organise large-scale trade fairs in these markets; arrange inbound and outbound business missions; invite major importers and distributors from these markets to participate in the TDC exhibitions in Hong Kong; and organise better business matchings and networking activities etc..

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)156**

Question Serial No.

5100

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

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:

Under Programme (3), it is stated that the Hong Kong Trade Development Council (TDC) will help small and medium enterprises (SMEs) explore new production areas involving lower cost. In this connection, please provide this Committee with the following:

- (a) a list of new production areas explored in the past 3 years (i.e. 2010-11 to 2012-13);
- (b) figures on SMEs successful in establishing production lines in new production areas involving lower cost with the TDC's assistance in the past 3 years (i.e. 2010-11 to 2012-13), descriptions of the type of goods produced and proportion of reduced costs to total expenditure; and
- (c) information about new production areas being studied by the TDC and the type of goods to be produced.

Asked by: Hon. TANG Ka-piu

Reply:

- (a) Hong Kong Trade Development Council (TDC) explored Bangladesh, Indonesia, Vietnam and Myanmar as new production areas in the past 3 years (i.e. 2010-11 to 2012-13).
- (b) TDC does not have the requested figures and information. However, the number of activities organised by TDC for helping small and medium enterprises to explore new production areas, the number of Hong Kong companies participated and the countries involved in the past 3 financial years (i.e. from 2010-11 to 2012-13) are listed below:-

	<b>Financial Year</b>		
	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
<b>Number of Activities</b>	3	1	4
<b>Number of Hong Kong Companies participated</b>	18	12	156
<b>Countries Involved</b>	Bangladesh, Indonesia and Vietnam	Bangladesh	Indonesia, Myanmar and Vietnam

- (c) In 2013-14, the study on new production areas of TDC will focus on the Southeast Asia countries of Vietnam, Myanmar, Indonesia, Cambodia, Laos and Thailand etc.. TDC will also analyse the types of products, which are the major export items of Hong Kong, that are suitable to be manufactured in the areas according to the characteristics of these areas. For example, the study for Cambodia and Myanmar will focus on garment and footwear products, whereas the study for Vietnam and Indonesia will include electronic products.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)157**

Question Serial No.

1895

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:

During 2013-14, the Commerce, Industry and Tourism Branch will enhance efforts in promoting co-operation between Hong Kong and Taiwan on trade, investment and tourism matters. Would the Administration give an account of the details of the plan and the expenditure items involved?

Asked by: Hon. TIEN Pei-chun, James

Reply:

The Hong Kong Special Administrative Region Government will continue to actively promote co-operation with Taiwan in the areas of trade, investment and tourism. Relevant work would include –

- On trade promotion, Hong Kong Trade Development Council (TDC) Taipei Office will continue to promote Hong Kong's services industries, and encourage Taiwan brands to co-operate with Hong Kong companies, in order to leverage on Hong Kong's services platform to tap overseas and Mainland markets together. In 2013-14, TDC will continue to promote trade and business co-operation between Hong Kong and Taiwan through organising different activities such as trade fairs, outbound missions, symposiums, seminars, roadshows and business matching activities, etc. In addition, TDC will put more emphasis on promoting sectors where Hong Kong enjoys advantages, such as brand marketing, arbitration, logistics and licensing, etc. The estimated budget of TDC for trade promotion in Taiwan in 2013-14 is around \$6 million.

- On investment promotion, Invest Hong Kong (InvestHK) will continue to step up its promotional efforts in Taiwan and organise various activities to encourage and assist the Taiwan companies to set up or expand their business in Hong Kong. In 2013-14, through its investment promotion unit at the Hong Kong Economic, Trade and Cultural Office in Taiwan, InvestHK will continue to reach out proactively to a wide spectrum of Taiwan companies and conduct investment promotion visits to different cities in Taiwan. InvestHK will also organise networking reception for the representatives of the Taiwan companies and business associations in Hong Kong, and continue to maintain close liaison with the Taiwan business community and provide them with aftercare support. The estimated budget of InvestHK for investment promotion in the Taiwan market in 2013-14 is about \$1 million.
- On tourism, Taiwan is currently Hong Kong's second largest visitor source market. Starting from 1 September 2012, eligible Taiwan residents may submit pre-arrival registration for visiting Hong Kong through the internet free of charge. This measure facilitates Taiwan travellers to visit Hong Kong and helps enhance their propensity to come here for vacation. Leveraging on this arrangement, the Hong Kong Tourism Board (HKTB) will increase its promotional budget in Taiwan in 2013-14, and will work closely with the Taiwan travel trade to attract young and family visitors. Besides Taipei, it will launch promotion in second-tier cities such as Taichung and Kaohsiung, including co-operating with popular radio channels to raise Hong Kong's appeal as Asia's World City. The estimated marketing budget of the HKTB for Taiwan in 2013-14 is about \$11.9 million, and the related work will be carried out by the HKTB's Taipei office. The HKTB expects a 3.4% growth in Taiwan overnight visitor arrivals in 2013.

Moreover, the Government will continue to, through the platforms of "Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council" and "Hong Kong – Taiwan Business Co-operation Committee" of Hong Kong, and the "Taiwan-Hong Kong Economic and Cultural Co-operation Council" and "Economic Co-operation Committee" of Taiwan, enhance multi-faceted and in-depth exchanges between Hong Kong and Taiwan and strengthen bilateral economic co-operation, with a view to promoting economic and trade development of the Mainland, Hong Kong and Taiwan.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)158**

Question Serial No.

1896

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 Commerce, Industry and Tourism Branch will enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital in 2013-14. Would the Administration advise this Committee of the details of the plan and the breakdown of expenditure to be involved?

Asked by: Hon. TIEN Pei-chun, James

Reply:

Commerce, Industry and Tourism (CIT) Branch, has been working closely with the Hong Kong Tourism Board (HKTB), the MICE (meetings, incentive travels, conventions and exhibitions) sector and the travel trade to promote MICE tourism. CIT Branch will continue to co-ordinate with relevant government departments and non-government organisations on the promotion work of MICE tourism as well as the bidding for large scale MICE events. The Government will continue to support MICE promotion by providing \$30 million to the Meetings and Exhibitions Hong Kong under the HKTB in 2013-14.

In 2013-14, the HKTB will promote Hong Kong's strengths in MICE tourism with the theme "Hong Kong · The World's Meeting Place". The HKTB will continue to work closely with organisers of MICE events and major local attractions and venue operators, in order to attract more participants from the Mainland and overseas. The HKTB will continue to launch tailor-made promotions. Major initiatives include:



- Meetings and Incentive Travels
  - Focus promotions on five short-haul markets, namely Mainland China, India, Singapore, Thailand and Indonesia.
  - Set up designated teams in Beijing and Shanghai to tap the potential of the Mainland market.
  - Extend the coverage of the “Top MICE Agent” Award from Mainland China and Taiwan to Southeast Asia, including Indonesia and Thailand, to encourage more meetings and incentive agents to choose Hong Kong as the host city of their activities.
  - Organise road shows in key cities of India, including Mumbai, Delhi, Chennai and Kolkata, and offer special packages for meetings and incentive travel organisers in India.
  - Promote Lantau as a one-stop meetings and incentives hub in order to bring more business opportunities to the island.
  
- Conventions
  - Bid for events that have not been held in Hong Kong before, including both large-scale conventions with over 2 000 participants and high-profile events.
  - Strengthen partnership with associations in Europe and the US to promote Hong Kong’s appeal as a host city of conventions.
  - Reach out to associations in Mainland China, especially those in Beijing and Shanghai. MICE organisers from these cities will be invited to visit Hong Kong’s MICE venues and facilities and encouraged to bring their conventions to Hong Kong.
  
- Exhibitions
  - Enhance the “Business Right Here!” campaign by offering participants more special discounts and services, so as to drive attendance and encourage first-time visitors to experience Hong Kong.
  - Promote Hong Kong at international trade shows with the local travel trade, including venue operators, Hong Kong Exhibition and Convention Industry Association and Hong Kong Trade Development Council.
  - Provide organisers with customised services, so as to secure existing events and attract new ones.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)159**

Question Serial No.

1897

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

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 provision for 2013-14 under this Programme is \$77.8 million (501.9%) higher than the revised estimate for the previous year. This is mainly due to the provision for the establishment and operation of the Competition Commission. Will the Administration inform us of the estimated annual staffing and expenditure of the Competition Commission for the five-year period following its establishment?

Asked by: Hon. TIEN Pei-chun, James

Reply:

In 2013-14, we have earmarked \$82 million under Programme (4) for the establishment and operation of the Competition Commission (the Commission). Resource allocation for subsequent years will be reviewed in light of the implementation progress of the Competition Ordinance (the Ordinance) as well as the actual operation of the Commission. Under the Ordinance, the Commission is an independent statutory body and may employ staff and engage other persons on contract for services as it considers necessary to perform its functions.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)160**

Question Serial No.

1903

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:

With regard to the plan to further develop Ocean Park and Hong Kong Disneyland, the Government is going to offer a \$2.3 billion loan to Ocean Park to further enhance its facilities. Will the Administration set out in detail the loan or funding items for Ocean Park, and the amount involved?

Asked by: Hon. TIEN Pei-chun, James

Reply:

The Government will offer a \$2.3 billion loan to be drawn down from 2013 in three years, at a floating interest rate equivalent to the interest rate of the Government's fiscal reserves placed with the Exchange Fund (currently 5%), to the Ocean Park for the Tai Shue Wan Development Project. The loan term will be 20 years.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)161**

Question Serial No.

1904

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

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 will set up more Design Galleries in Mainland cities other than Beijing and Guangzhou to offer platforms for Hong Kong enterprises, especially small and medium enterprises, to showcase their products. As such, would the Administration inform this Committee of the number, locations and estimated expenditure of the Design Galleries to be set up?

Asked by: Hon. TIEN Pei-chun, James

Reply:

The Hong Kong Trade Development Council (TDC) plans to open new Design Gallery shops in Wuhan and Qingdao in 2013-14, and Chengdu in 2014-15, in order to further expand the network of Design Gallery in the Mainland. In addition, the TDC is collaborating with department stores in the Mainland to open a series of Design Gallery inside the stores under the concept of "shop-in-shop".

The TDC estimates that the Design Gallery shops in Wuhan and Qingdao would be open in April and July this year respectively. The first "shop-in-shop" inside a department store will be open on 28 March in Shanghai this year, whereas another two "shops-in-shop" in Beijing and two more "shops-in-shop" in Wuhan will commence operation in July and October this year respectively.

The TDC's relevant budget in 2013-14 is \$12 million, which includes the cost for shop renovation, operation and promotion.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)162**

Question Serial No.

1905

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:

To provide support for small and medium enterprises (SMEs), the Government will assist SMEs in 6 areas to help them raise capital and tap new markets. Would the Administration set out the total amount of new funds to be allocated for each of the 6 measures? If no, what are the reasons?

Asked by: Hon. TIEN Pei-chun, James

Reply:

No additional funding would be required for the support measures for SMEs announced in the 2013-14 Budget. Details are as follows:

(a) The application period for the special concessionary measures under the SME Financing Guarantee Scheme (SFGS) has been extended for one year up to the end of February 2014. The Government would continue to provide a total loan guarantee commitment of \$100 billion; the extension of application period does not involve additional government resources.

(b) The Government will continue to implement the \$1 billion Dedicated Fund on Branding, Upgrading and Domestic Sales to provide funding support to individual enterprises and non-profit-distributing organisations, so as to assist enterprises in enhancing their competitiveness and facilitating their business development in the Mainland. Continue implementing the BUD Fund does not involve additional government resources.

(c) The Hong Kong Trade Development Council (TDC) plans to open new Design Gallery shops in Wuhan and Qingdao in 2013-14, and Chengdu in 2014-15, in order to further expand the network of Design Gallery shops in the Mainland. In addition, the TDC is collaborating with department stores in the Mainland to open a series of Design Gallery inside the stores under the concept of “shop-in-shop”.

The TDC estimates that the Design Gallery shops in Wuhan and Qingdao would be open in April and July this year respectively. The first “shop-in-shop” inside a department store will be open on 28 March in Shanghai this year, whereas another two “shops-in-shop” in Beijing and two more “shops-in-shop” in Wuhan will commence operation in July and October this year respectively.

The relevant expenditure is included in the TDC’s budget and does not involve additional government resources.

(d) The Government plans to increase the cumulative grant ceiling for each SME under the SME Export Marketing Fund (EMF) from \$150,000 to \$200,000, subject to the meeting of relevant additional conditions. As of February 2013, there are more than 37 000 SME beneficiaries of the EMF, among which some 4 700 have exhausted their \$150,000 grant ceiling. Assuming that all these enterprises apply for and exhaust the additional grant of \$50,000, the additional expenditure will be \$235 million. The additional expenditure will increase as more SMEs apply for the additional grants after they have exhausted their current cumulative grant ceiling of \$150,000. The additional expenditure will be met by the approved commitment of the EMF.

(e) The Hong Kong Export Credit Insurance Corporation (ECIC) has introduced on 1 March 2013 a "Small Business Policy" (SBP) scheme for Hong Kong enterprises with an annual business turnover of less than \$50 million, providing exporters with more flexibility in taking out insurance cover. Within a period of two years from the same date, SBP policyholders will enjoy waiver of the annual policy fee and up to 20 per cent premium discount. The ECIC also upgraded on 1 March this year the ratings of Turkey and the Philippines and raised the insurance limits of these countries and would provide higher credit limits and lower premium rates for exporters to these countries. The two measures of the ECIC have been included in the ECIC’s overall budget, and do not involve additional government resources.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)163**

Question Serial No.

1911

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:

As stated by the Financial Secretary, Hong Kong Disneyland will, in the coming few years, launch a new night-time parade and put in place a themed area featuring "Marvel heroes", the first of its kind in the world. These new projects will be funded by the Disneyland's operating surplus. Meanwhile, the theme park is actively pursuing new hotel projects. Would the Administration advise whether all the new development projects in Disneyland will not need to be funded by the Government in terms of loans or any other forms of resources? If so, please provide the details of the financing of the theme park. Otherwise, in what form will the Government commit its resources? And what will be the amount involved?

Asked by: Hon. James TIEN Pei-chun

Reply:

The Hong Kong Disneyland will use its operating surplus to support the further expansion of attractions within the park without requiring shareholders to inject new capital. The financing arrangements for hotel development are subject to further discussion between the Government and The Walt Disney Company.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)164**

Question Serial No.

4582

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 Commerce, Industry and Tourism Branch plans to continue the development of the Kai Tak Cruise Terminal in 2013-14. What are the specific measures and breakdown of the expenditures involved?

Asked by: Hon. TIEN Pei-chun, James

Reply:

The construction of the Kai Tak Cruise Terminal is moving forward in full steam. The terminal building and the first berth will commence operation in June 2013, while the second berth is due for completion in 2014. We will continue to closely monitor work progress and work closely with the operator of the new terminal, Worldwide Cruise Terminals Consortium, with a view to ensuring that the new terminal can provide quality services to arriving cruise ships and passengers.

The total approved project estimate of the terminal project is \$8,156 million. The estimated expenditure in 2013-14 is \$516 million, which mainly comprises the expenditure for the remaining works of the terminal building and the second berth.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)165**

Question Serial No.

4583

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 Commerce, Industry and Tourism Branch will provide secretariat services and relevant support to the new Economic Development Commission in 2013-14. In this regard, would the Administration advise of the manpower arrangement and expenditure involved?

Asked by: Hon. TIEN Pei-chun, James

Reply:

Secretariat support for the Economic Development Commission (EDC) and two of its Working Groups (namely the Working Group on Convention and Exhibition Industries and Tourism and the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries) is provided by the Commerce and Economic Development Bureau. The relevant work will be handled by existing manpower and an additional Senior Administrative Officer (involving an additional expenditure of about \$1.13 million). The expenses of the EDC's operation in the first year will depend on the discussions of the EDC on the necessary work or plans (e.g. researches) that it needs to conduct. The expenditure involved will be absorbed by this Bureau's existing resources and cannot be assessed at this stage. Secretariat support for the EDC's other two Working Groups (namely the Working Group on Transportation and the Working Group on Professional Services) is provided by the Transport and Housing Bureau and the Development Bureau respectively.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)166**

Question Serial No.

4914

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:

As mentioned in paragraph 86 of the Budget Speech, to facilitate the healthy growth of the retail industry in the long term, the Administration will set up a task force on labour development in the retail industry. Led by the Commerce and Economic Development Bureau, the task force will pool the efforts of the Government, the industry and relevant organisations. It will study the economic outlook of the industry and its labour demand and supply. Please provide the following details of the task force:

- (a) staff establishment, including its leaders and research personnel;
- (b) methodology and scope of study;
- (c) mode of operation;
- (d) targets to achieve; and
- (e) date of establishment.

Asked by: Hon. TIEN Puk-sun, Michael

Reply:

The Task Force on Manpower Development of the Retail Industry is appointed by the Financial Secretary. Members are drawn from a wide range of background and interests, including persons connected with different sectors within the industry, representatives of relevant Government Bureaux and Vocational Training Council, as well as academics and individuals from outside the industry, with Professor Andrew Chan Chi-fai of the Chinese University of Hong Kong as the Chairperson.

The terms of reference of the Task Force are to study the business outlook, review the manpower needs of the retail sector, and to advise the Government on matters relating to the overall manpower development of the industry in order to sustain its long term growth. The Task Force will complete its work within 2013 and put forward appropriate and concrete recommendations to the Government.

The Government will support the work of the Task Force through re-deployment of existing resources. The related expenditure will be subsumed under the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)167**

Question Serial No.

0628

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) The Administration announced the establishment of the Economic Development Commission earlier on. Regarding the Commission's operation in the first year, please advise the estimated operational expenses and expenditure breakdown and give a detailed account of appointment size and staff establishment.
- (b) What kinds of researches does the Economic Development Commission plan to conduct this year? What are the expenditures involved?
- (c) The Government appointed 22 non-official members to the Economic Development Commission earlier on. Please advise the details on members' declaration of interests and the deadline for submission.

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

- (a) Secretariat support for the Economic Development Commission (EDC) and two of its Working Groups (namely the Working Group on Convention and Exhibition Industries and Tourism and the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries) is provided by the Commerce and Economic Development Bureau. The relevant work will be handled by existing manpower and an additional Senior Administrative Officer (involving an additional expenditure of about \$1.13 million). The expenses of the EDC's operation in the first year will depend on the discussions of the EDC on the necessary work or plans (e.g. researches) that it needs to conduct. The expenditure involved will be absorbed by this Bureau's existing resources and cannot be assessed at this stage. Secretariat support for the EDC's other two Working Groups (namely the Working Group on Transportation and the Working Group on Professional Services) is provided by the Transport and Housing Bureau and the Development Bureau respectively.

- (b) The EDC will provide visionary direction and advice to the Government on the overall strategy and policy to broaden Hong Kong's economic base and to enhance Hong Kong's economic growth and development; and in particular, it will explore and identify growth sectors or clusters of sectors which present opportunities for Hong Kong's further economic growth, and recommend possible policy and other support for these industries. Its four Working Groups will provide concrete advice on the policy and support measures that the Government should put in place in respect of the industries under their respective purviews. The types and contents of any researches that the EDC and its Working Groups may conduct will be subject to the discussions of the EDC and the Working Groups. The expenditure involved cannot be assessed at this stage.
- (c) The EDC and its four Working Groups will adopt a "one-tier system of declaration of interests". When a member perceives a potential conflict of interest in a matter placed before the EDC or a Working Group, that member should make a full disclosure of his/her interest at the earliest opportunity. The Chairman or Convenor shall decide whether that member may speak or vote on the matter, may remain in the meeting as an observer, or should withdraw from the meeting. All members of the EDC and its four Working Groups have to observe this system of declaration throughout their term.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)168**

Question Serial No.

0825

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:

- (a) What was the number of events supported by the Mega Events Fund (MEF) in each round of application for the MEF since its establishment? What were the details of the events? What was the amount of funding granted for each event? What was the number of visitor arrivals expected to be attracted by each event? Has the MEF assessed its overall cost-effectiveness? If yes, what are the details? If not, what are the reasons?
- (b) In connection with the above, has the Government reviewed the effectiveness of each event? Has each event succeeded in attracting the expected number of visitor arrivals? Has the MEF found any cases in which the controlling officer of the MEF ceased funding to and recovered losses from successful applicants having problems in organising the events, performing unsatisfactorily, not achieving the projected targets, or failing to complete the events by the agreed and specified deadlines? If yes, what are the details? What were the amounts involved? Has the MEF recovered the losses incurred or taken actions against those responsible for such losses? If not, what are the reasons?
- (c) Has the Government any plans to review the MEF's funding model so that its funds may be used more effectively? If yes, what are the details? If not, what are the reasons?

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

- (a) & (b) The Mega Events Fund (MEF) was established in 2009 following the funding approval of the Finance Committee (FC) of the Legislative Council (LegCo). Since its inception, eight rounds of applications have been invited and a total maximum sum of \$84.7 million has been granted to support 21 mega events. The details of the events and their respective amount of funding are as follows:

<b>Project title</b>	<b>Organiser</b>	<b>Nature</b>	<b>Date of Event</b>	<b>Number of participating visitors</b>	<b>Funding Ceiling</b>
Swire “Symphony Under the Stars”	Hong Kong Philharmonic Orchestra	Large-scale outdoor classical concert	13 November 2009	1 078	\$1.4 million
Hong Kong Tennis Classic 2010	Hong Kong Tennis Patrons’ Association Limited	International tennis tournament	6 - 9 January 2010	942	\$9 million
Mui Wo Water Lantern and Sky Lantern Festival	Hung Shing Festival Preparatory Committee Limited	Traditional cultural activity	26 - 29 March 2010	9 915	\$1.5 million
Hong Kong 2010 International a cappella Festival	The Hong Kong Federation of Youth Groups	Large-scale music festival	27 March – 22 April 2010	2 304	\$0.8 million
Hong Kong Musical Festival	Springtime Experimental Theatre Perry Chiu Experimental Theatre Ah Lo Productions Chung Ying Theatre Company	Large-scale musical opera festival	29 March – 21 April 2010	3 317	\$2.5 million
Hope and Glory	The Birch Foundation	Large-scale multi-media arts exhibition	8 April – 30 May 2010	6 359	\$2 million



<b>Project title</b>	<b>Organiser</b>	<b>Nature</b>	<b>Date of Event</b>	<b>Number of participating visitors</b>	<b>Funding Ceiling</b>
Hong Kong Dragon Boat Carnival	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	23-25 July 2010	54 027	\$5 million
Record Breaking Dragon and Lion Dance Extravaganza	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2011	10 000	\$1 million
Hong Kong Tennis Classic 2011	Hong Kong Tennis Patrons' Association Limited	International tennis tournament	5-8 January 2011	1 114	\$5 million
Hong Kong Well-wishing Festival	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	11-17 February 2011	2 879	\$1.8 million
Hong Kong Dragon Boat Carnival 2011	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	17-19 June 2011	51 346	\$4 million
Hong Kong International Jazz Festival 2011	Hong Kong Jazz Association	Large-scale music festival	25 September – 2 October 2011	4 003	\$3 million
Hong Kong Cricket Sixes 2011	The Hong Kong Cricket Association	International cricket tournament	28 - 30 October 2011	2 260	\$3.5 million
UBS Hong Kong Open Championship 2011	Hong Kong Golf Association Limited	International golf tournament	1 - 4 December 2011	9 903	\$8 million

<b>Project title</b>	<b>Organiser</b>	<b>Nature</b>	<b>Date of Event</b>	<b>Number of participating visitors</b>	<b>Funding Ceiling</b>
Dragon and Lion Dance Extravaganza 2012	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2012	19 400	\$1.4 million
Hong Kong Well-wishing Festival 2012	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	23 January – 6 February 2012	34 915	\$1.4 million
Hong Kong Dragon Boat Carnival 2012	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	2-8 July 2012	64 030	\$6.5 million
UBS Hong Kong Open Championship 2012	Hong Kong Golf Association Limited	International golf tournament	15 - 18 November 2012	10 493	\$15 million
Dragon and Lion Dance Extravaganza 2013	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2013	15 030	\$1.4 million
Hong Kong Well-wishing Festival 2013	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	10-23 February 2013	12 210	\$2.5 million
Manchester United Asia Tour 2013 (Hong Kong Leg)	Kitchee Foundation Limited	Soccer exhibition match	29 July 2013	8 140 (expected)	\$8 million

As regards the economic benefits of the event, the information submitted by the applicants reveals that the MEF supported events can attract a total of over 1 490 000 participants, including over 320 000 visitors, and create around 16 000 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 the 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) and the Information Services Department can also leverage on the opportunities to include these events into its promotional plan and use these events to highlight Hong Kong's position as the events capital of Asia. Through co-operation with trade partners, the HKTB has also developed special tourist packages to attract more visitors to Hong Kong for these events.

The MEF Assessment Committee (AC) and the MEF Secretariat will monitor the process of the organisation of the events to ensure that they are in line with the aim of the MEF, as well as other related requirements. The AC and the Secretariat will observe the entire process of the events and collect the feedback from the participants. The organisers will be required to submit the audited accounts, evaluation report and publicity report of completed events. These reports will be submitted to the AC and Controlling Officer of the MEF for consideration. If it is concluded that the relevant organisers had breached any funding terms and conditions as stated in the agreement; that their performance in organising the events were not satisfactory; or if the events failed to achieve the pre-determined deliverables / targets, sanctions such as withholding of outstanding funds or reducing the level of funding may be imposed. The relevant organisers may even be suspended from future MEF applications.

As at end of February 2013, 20 of the MEF supported events have been completed. All were completed by the deadline specified in the agreement. However, funding support for eight events was reduced due to unsatisfactory performance of the organisers in implementing the events and/or failure of the events to achieve the pre-determined deliverables / targets. The amount of deduction ranged from \$90 000 to \$1.11 million. Two organisers were also suspended from future MEF applications. The AC and the MEF Secretariat will continue to monitor strictly the implementation of funded events to ensure the proper use of public funds.

- (c) The Tourism Commission (TC) has been monitoring the operation of the MEF from time to time, having regard to the experience accumulated since its inception, with a view to improving the mode of operation of the MEF. Some improvement measures were introduced in 2010. In early 2012, the TC conducted a full review on the operation of the MEF, and the recommendations were implemented following FC of LegCo's approval of funding in April 2012 to extend the operation of the MEF, which increased the Fund's flexibility and improved the effectiveness of its operations. We will conduct a further review of the operation of the MEF in due course.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)169**

Question Serial No.

1671

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:

One of the “Matters Requiring Special Attention” in 2013-14 for the Commerce and Economic Development Bureau (CEDB) is to “continue with the preparation for the establishment of the statutory Travel Industry Authority (TIA) and implementation of the new regulatory framework of the tourism sector”.

What is the Administration’s anticipated progress and effectiveness of the above work in 2013-14? When will the above preparation work be completed? What is the estimated expenditure for the preparation work in 2013-14?

In the past, cases of visitors being coerced to shop, having to spend the night on coaches or even being left on the streets or cemeteries by tourist guides took place each year. More recently, there was the incident concerning 3A Holidays Company Limited. All these reflect the CEDB’s improper and ineffective regulation. In this connection, has the CEDB reviewed/expedited the plans for establishing the TIA or the new regulatory framework of the tourism sector? If yes, what are the review outcomes? If not, will the CEDB conduct the review immediately?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

The Government announced in end-2011 to establish the Travel Industry Authority (TIA) to take over the current regulatory and licensing functions of the Travel Industry Council of Hong Kong and the Travel Agents Registry. Targets of regulation include travel agents, tour escorts and tourist guides. In the past year, we have been actively carrying out preparation work for the establishment of the TIA. We plan to report to the Legislative Council Panel on Economic Development on the progress in mid-2013. It is expected that the draft legislation for the establishment of the TIA could be introduced into the Legislative Council around mid-2014. We will carry out the above work with existing resources.

In view of the problems arising from Mainland inbound tours in recent years, when drafting the new legislation, we will update and strengthen existing legal provisions so that the TIA could tackle the problems in a more forceful way in future. We are pressing ahead in preparing for the establishment of the TIA and implementation of the new regulatory framework of the tourism sector, and will listen to the views of the trade.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)170**

Question Serial No.

1672

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:

In promoting “nature-based tourism products”, the Commerce and Economic Development Bureau will work with Hong Kong Tourism Board, the tourism sector and relevant government departments in 2013-2014. What are the details of their collaboration? What items are included in the “tourism products”? What are the estimated manpower and public expenditure required for the above-mentioned promotion work?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

The Tourism Commission (TC) is partnering with the Agriculture, Fisheries and Conservation Department (AFCD) and the Hong Kong Tourism Board (HKTB) in promoting nature-based green tourism products via the HKTB’s marketing platform “Great Outdoors Hong Kong!”. In 2013-14, the HKTB will continue its promotion work in this area, and extend the “Great Outdoors Hong Kong!” campaign period from five weeks in the past to about three months. The campaign will not only focus on the promotion of the Hong Kong Global Geopark of China (Geopark), hiking trails and outlying island tours, but also the promotion of Hong Kong’s nature through different channels. Details of the campaign are as follows:

- For visitors or consumers
  - To organise free guided tours so as to encourage visitors to explore Hong Kong’s hiking trails and outlying islands. In particular, the HKTB will explore the possibility of introducing cycling tours and guided tours to organic farms.
  - To promote tourism products which are operated by local travel agents through different channels, such as the Internet and hiking guidebooks.
  - To promote Hong Kong’s major outlying islands to visitors with smartphone applications.

- For overseas media
  - To arrange overseas media to experience Hong Kong's outlying islands and green attractions.
  
- For overseas travel trade promotion
  - To invite overseas travel trade specialising in green tourism products to experience Hong Kong's green attractions, and encourage them to include Hong Kong's outlying island tours in their green tourism products.

Meanwhile, the TC, in collaboration with the HKTB, the travel trade and relevant departments, is implementing a pilot scheme to allow coaches to transport inbound visitors to the East Dam of the High Island Reservoir on a limited scale to further facilitate visitors to go to the Geopark, with a view to promoting nature-based tourists' activities. The TC and the relevant departments will carry out the above work with existing resources. No additional expenses and manpower will be incurred.

The HKTB's total marketing budget for 2013-14 is \$337.8 million, which has already included the expenses for promoting green tourism. As for the guided tours specially organised for visitors under the "Great Outdoors Hong Kong!", the estimated cost is about \$1.4 million. The HKTB has earmarked \$700,000 for organising the campaign and will seek funding support for the remaining \$700,000 through sponsorships and other incomes. This promotion work covers a wide range of areas and is undertaken by various departments of the HKTB.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)171**

Question Serial No.

1673

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:

Regarding the supporting tourism facilities in Repulse Bay, including the parking area for coaches; the Repulse Bay shopping arcade (The Pulse) which has been left vacant for many years because of premium disputes; and other facilities for visitors, what improvement plans does the Commerce and Economic Development Bureau have in 2013-2014? How much public funds will be spent on the related work?

Has the Administration regularly consulted Chinese and foreign visitors and the District Council on ways to improve the environment and supporting tourism facilities in Repulse Bay? If so, what are the specific views, if not, can the Administration collect such views in 2013-14?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

Repulse Bay is one of the tourist hot spots in the Southern District. The natural scenery of the beaches in the area is very attractive to tourists. Effective management and maintenance service for the beach is provided by the Leisure and Cultural Services Department (LCSD). The LCSD has also enhanced the facilities and environment at the beach from time to time. Coach parking spaces and loading bays are available along the Beach Road. To facilitate visitors visiting the Repulse Bay, the Tourism Commission has installed a network of visitor signage in the area.

The Lands Department has reached an agreement in July 2012 with the lot owner of "The Pulse" on land premium arising from its redevelopment. Upon the operation of the shopping arcade, it is expected that 97 additional private car parking spaces will be provided in the vicinity.



The Hong Kong Tourism Board collects visitors' feedback via its Visitor Hotline and Departing Visitor Survey. The relevant departments also maintain close liaison with the District Council, Travel Industry Council of Hong Kong and the tourism sector to collect their views on coach parking and loading and unloading facilities in the area, as well as tourism supporting facilities to improve the environment. Where necessary, we will make suitable improvements to the facilities in the vicinity of Repulse Bay.

The above work is the routine duty of the relevant departments. No additional expenditure will be incurred.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)172**

Question Serial No.

1674

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:

In the financial year 2013-2014, what policies and projects will the Commerce and Economic Development Bureau adopt to “continue to promote honest tourism and hospitality culture together with local stakeholders and Mainland tourism authorities”? What are the estimated manpower and public expenditure for the related work?

What are the changes in the manpower and expenditure required for the above work when compared with the past three financial years (2010-2011 to 2012-2013)?

Have the effectiveness and cost-effectiveness of the above work over the years been assessed?

If there is an assessment, what is the outcome? If not, is an immediate assessment possible?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

The Tourism Commission (TC) under the Commerce, Industry and Tourism Branch (CITB) of the Commerce and Economic Development Bureau is responsible for promoting honest tourism and hospitality culture in collaboration with local stakeholders and Mainland tourism authorities. The projects include the promotion of “Quality and Honest Hong Kong” (Q&H) tours to Mainland consumers via online platforms, consumer promotions and the media by the Hong Kong Tourism Board (HKTB). Microfilms are produced and shown on online travel portals, warning consumers against fraudulent low-fare, poor-quality tours. Also, the HKTB has been strengthening co-operation with travel websites and agencies, and plans to increase the number of Q&H tours online counters from 54 to 60 in 2013-14 in order to enable more consumers to learn about such tours. The HKTB also focuses on rolling out consumer education programmes prior to peak travel seasons, and partners with the travel trade to develop quality tourism products to provide consumers with more choices.

Meanwhile, the Consumer Council has established the “Shop Smart” website to provide practical tips to Mainland visitors, such as reminding them to choose only travel agents with good reputation and management, and be aware of low-priced 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.

On fostering a hospitable culture, the TC 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 Travel Industry Council of Hong Kong 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, in order to ensure our visitors can enjoy quality service.

The expenditure of the TC on such work is subsumed into the provision for CITB each year. It is difficult to quantify such expenditure separately. Promotion resources for Q&H tours by the HKTB from 2010-11 to 2013-14 are as follows:

<b>Year</b>	<b>Promotional Resources (\$ million)</b>
2010-11	3
2011-12	6.5
2012-13	6.2
2013-14	5.5 (estimate)

In addition, to consolidate Hong Kong’s image as a leading travel destination, the HKTB plans to roll out new initiatives in selected visitor source markets in 2013-14, including short videos and outdoor advertising promoting Hong Kong’s hospitable culture and travel experience. The estimated budget for these initiatives is \$5 million.

We will continue to ensure the effectiveness of efforts in promoting honest tourism and hospitality culture through regular communication with local stakeholders and Mainland tourism authorities.

Name in block letters: ANDREW HY WONG  
 Post Title: Permanent Secretary for Commerce and Economic  
 Development (Commerce, Industry and Tourism)  
 Date: 26.3.2013

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

**CEDB(CIT)173**

Question Serial No.

1675

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:

According to the Administration, provision for 2013-14 is \$77.8 m (53.1%) higher than the revised estimate for 2012-13 due to increased provision arising from the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal. Will the Administration advise on the details of and expenditure for the items under the increased provision?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

The increase in the estimated provision under this programme in 2013-14 is mainly due to increased provision arising from the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal following its commissioning in June 2013, which amounts to \$79.234 million. It covers the maintenance of electrical and mechanical facilities of the terminal (\$61.559 million), property management services for communal areas (\$4.111 million), and public utility charges such as electricity charges for communal areas and facilities (\$13.564 million).

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)174**

Question Serial No.

1676

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:

Mrs Carrie Lam, the Chief Secretary for Administration, visited the Southern District recently to listen to views (including those on promoting tourism development in the Southern District) of local District Councillors and resident representatives. This indicated the SAR Government's emphasis on tourism development in the district.

In the 2013-14 financial year, what initiatives and development projects does the Commerce and Economic Development Bureau have in relation to the comprehensive tourism development in the Southern District (other than the recurrent annual Ocean Park expansion plan)? What is the estimated expenditure involved in related projects?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

We have been attaching great importance to the tourism development of the Southern District and have been actively promoting and planning various tourism projects in the district. The details are as follows:

1. Ocean Park's Tai Shue Wan Development Project and hotel projects

Upon the completion of its Master Redevelopment Plan in mid 2012, the Ocean Park has become a world-class marine themed park featuring more than 70 attractions. With a view to further enhancing its overall appeal and capacity to receive tourists, the Ocean Park will build an all-weather waterpark at Tai Shue Wan. The Government will provide a \$2.3 billion loan to the Ocean Park to facilitate the early commencement of the project. Meanwhile, the Ocean Park Corporation has planned to build two hotels within the Park. Of them, the re-tender of the Ocean Hotel will close in the second quarter this year. The Ocean Park will commence the relevant selection exercise. The tender exercise for the Fishermen's Wharf Hotel will tie in with the schedule of the Tai Shue Wan Development Project and details will be announced later. We will continue to work closely with the Ocean Park to ensure the smooth implementation of its hotel development.

2. Aberdeen Tourism Project

The Aberdeen Tourism Project will be completed from now to 2014 by phases. The estimated total expenditure of the project is \$288.1 million. The improvement works at the Aberdeen promenade is almost completed while that at the Ap Lei Chau promenade has already commenced. In line with work progress, the Hong Kong Tourism Board will carry out publicity to promote the local characteristics of Aberdeen. The Southern District Council will also promote the tourism characteristics of the Southern district at the district level.

3. The Seaview Building at Repulse Bay

The Leisure and Cultural Services Department is conducting the tender exercise for redeveloping the Seaview Building at Repulse Bay. The awarded contractor will carry out renovation of the Seaview Building; to operate food and beverage business and provide beach-related leisure service; and to strengthen Repulse Bay beach as one of the popular tourist attractions in Southern District.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)175**

Question Serial No.

1677

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:

Of the estimated expenditure of \$1,539,475,000 and 192 posts (including five new and one supernumerary posts) of the Commerce, Industry and Tourism Branch in 2013-2014, how much expenditure and how many posts are earmarked for tourism related matters?

In view of the discontent of local people and visitors with the stagnant development of tourism in Hong Kong, does the Government have any criterion and mechanism for assessing the operational expenditure, performance outcome, operational efficiency and the optimal deployment of public money to determine future adjustments?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

The Tourism Commission (TC) established under the Commerce, Industry and Tourism Branch is tasked with formulating policies on tourism development, and co-ordinating implementation of tourism projects and initiatives in consultation with the industry and relevant government departments and agencies. In 2013-14, the estimated expenditure of TC is \$224.4 million and the staff establishment is 65 under Programme (6).

The TC will utilise the provision under this programme to carry out its core functions mentioned above. In formulating tourism development policies, apart from taking into account the views of the travel trade, the Government will also consider other various factors, such as the needs of the community at different levels, public expectation, as well as the possible impact of the relevant

policies on the livelihood of the people of Hong Kong. While the effectiveness of the work on formulating tourism development policies is difficult to quantify, the Government will conduct review on various matters relating to tourism development from time to time to make suitable improvements, and to ensure the effective use of resources.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013



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

**CEDB(CIT)176**

Question Serial No.

1678

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

Programme:

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 net creation of 5 posts in 2013-14 under the Commerce, Industry and Tourism Branch, please provide details on their post title, salary, job nature and area of work.

Asked by: Hon. TSE Wai-chun, Paul

Reply:

The details of the five new posts to be created in 2013-14 are as follows:

<b>Post title</b>	<b>Number of post</b>	<b>Total salary provision (\$)</b>	<b>Job nature and area of work</b>
Senior Administrative Officer (time-limited for 24 months)	1	1,125,120	To cope with the significant increase in the policy work relating to the provision of secretariat services and relevant support to the new Economic Development Commission
Senior Treasury Accountant (time-limited for 18 months)	1	1,125,120	To advise the Competition Commission on matters pertinent to the setting up of its financial management and accounting control systems and on other relevant financial, accounting and procurement matters.

<b>Post title</b>	<b>Number of post</b>	<b>Total salary provision (\$)</b>	<b>Job nature and area of work</b>
Assistant Clerical Officer	2	428,040	To enhance the general administrative support to this branch.
Clerical Assistant	1	166,920	
Total posts to be created:	5		

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)177**

Question Serial No.

1679

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

Programme:

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The provision for operational expenses of the Commerce, Industry and Tourism Branch for 2013-14, which increased by \$204,544,000 (15.7%) over the revised estimate for the previous year, is for:

- (1) the establishment and operation of Competition Commission,
- (2) increased subventions, and
- (3) the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal.

Please advise in detail on the items and expenditures involved in (1)-(3) above.

Asked by: Hon. TSE Wai-chun, Paul

Reply:

The increase of \$204,544,000 (15.7%) in 2013-14 estimate over the revised estimate for 2012-13 under Subhead 000 Operational expenses is mainly due to the provision for the establishment and operation of Competition Commission, increased subventions, and increased provision arising from the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal. The details of the items and expenditures involved are as follows:

<b>Major work items</b>	<b>Increased provision in 2013-14 estimate over the 2012-13 revised estimate (\$)</b>	<b>Work items involved</b>	<b>Relevant estimate (\$)</b>
(1) The establishment and operation of Competition Commission	76,657,000	This mainly involves recruitment and employment of staff, preparation and leasing of office accommodation, research and promotional work.	The actual expenditure will depend on the progress of preparatory work for establishment of the Competition Commission.
(2) Subventions:			
(a) Hong Kong Trade Development Council (HKTDC)	5,670,000	The subvention allocated to HKTDC is determined having regard to factors such as the Government's financial position, HKTDC's funding requirements and by way of reference to the total amount of import and export declaration charges received in the preceding year. In 2013-14, HKTDC would step up its promotional activities with a view to assisting Hong Kong enterprises to maintain their competitiveness in the uncertain economic environment.	5,670,000
(b) Consumer Council	5,502,000	This is mainly due to the provision of additional subvention in support of an enhanced role of the Consumer Council after the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012.	5,502,000

<b>Major work items</b>	<b>Increased provision in 2013-14 estimate over the 2012-13 revised estimate (\$)</b>	<b>Work items involved</b>	<b>Relevant estimate (\$)</b>
(c) Hong Kong Tourism Board	8,037,000	(i) Launching a hospitality campaign	(i) 5,000,000
		(ii) Stepping up cruise marketing activities	(ii) 3,037,000
(3) The operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal	79,234,000	(i) Maintenance of electrical and mechanical facilities of the terminal	(i) 61,559,000
		(ii) Property management services for communal areas	(ii) 4,111,000
		(iii) Public utility charges such as electricity charges for communal areas and facilities	(iii) 13,564,000

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)178**

Question Serial No.

1680

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

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:

Some media commentaries have pointed out that the participants of promotional events featuring mainly Hong Kong singers, such as Hong Kong Summer Spectacular, Hong Kong Wine and Dine Festival and Hong Kong WinterFest, were mostly local people. Doubts were casted on the effectiveness of spending a large amount of public money in organising these events to attract visitors. Will the Hong Kong Tourism Board inform this Committee of the following:

1. the amount of public money spent on each of the above 3 events; and
2. the way to assess the attraction of the above events for visitors to Hong Kong in the light of making the best use of the publicity expenditure for achieving the objective of promoting Hong Kong tourism overseas?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

1. In 2013-14, the Hong Kong Tourism Board (HKTB) estimates that the costs for staging the Hong Kong Summer Spectacular (including the Hong Kong Dragon Boat Carnival), the Hong Kong Wine and Dine Month (including the Hong Kong Wine and Dine Festival) and the Hong Kong WinterFest (including the Hong Kong New Year Countdown Celebrations) are \$17.4 million, \$37 million and \$23.1 million respectively, totalling \$77.5 million.

The HKTB has earmarked around \$9 million to stage the above three mega events, and will seek funding support for the remaining \$68.5 million through sponsorships and other incomes.

2. Past experience reveals that mega events need to be nurtured by sustained promotion and reputation building before they can effectively raise awareness among visitors and attract their participation. For assessing the effectiveness of each mega event, the HKTB will, based on the nature of the event, work out a number of key performance indicators and conduct on-site surveys (including survey on visitors' participation rate, their satisfaction towards the event, whether the event has raised their overall satisfaction with their trips to Hong Kong, etc).

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)179**

Question Serial No.

1681

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

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 10 major promotional campaigns to be organised by the Hong Kong Tourism Board in 2013-2014?

What are the estimated expenditure of and the number of visitors to be attracted to Hong Kong by each campaign?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

In 2013-14, the Hong Kong Tourism Board (HKTB) will continue to publicise Hong Kong's mega events and activities through its 10 promotional campaigns, with a view to strengthening Hong Kong's position as the Events Capital of Asia. The estimated cost for organising each promotion campaign and the expected number of participants are listed below:

<b>Promotional Campaign (Tentative Period)</b>	<b>Estimated Cost for Organising the Event (\$ million)</b>	<b>Expected Number of Participants</b>
Hong Kong Cultural Celebrations (May)	0.9	This campaign encourages visitors to experience our festive culture in different districts. It is difficult to estimate the number of participants.



<b>Promotional Campaign (Tentative Period)</b>	<b>Estimated Cost for Organising the Event (\$ million)</b>	<b>Expected Number of Participants</b>
Hong Kong Summer Spectacular (June to August) (including the Hong Kong Dragon Boat Carnival)	17.4	The 3-day Hong Kong Dragon Boat Carnival to be held in Tsim Sha Tsui East Promenade is expected to attract about 200 000 spectators, of which about 25% will be tourists, based on previous statistics collected on-site by the HKTB. For the overall campaign period, it is difficult to estimate the number of participants across different locations.
Hong Kong Mid-Autumn Festival (September)	5.4	The 9-day Lantern Wonderland to be held in Victoria Park is expected to draw over 400 000 participants, of which over 10 % will be tourists, based on previous statistics collected on-site by the HKTB. For the campaign period, it is difficult to estimate the number of participants across different locations.
Hong Kong Halloween Treats (October)	-	This campaign encourages visitors to different districts. It is difficult to estimate the number of participants.
Hong Kong Wine and Dine Month (November) (including the Hong Kong Wine and Dine Festival)	37	The 4-day Hong Kong Wine and Dine Festival to be held along New Central Harbourfront is expected to attract 150 000 participants, of which over 10% will be tourists, based on previous statistics collected on-site at the West Kowloon Waterfront Promenade by the HKTB. For the overall campaign period, it is difficult to estimate the number of participants across different locations.
Great Outdoors Hong Kong (November to February)	1.4	This campaign encourages visitors to different districts. It is difficult to estimate the number of participants.

<b>Promotional Campaign (Tentative Period)</b>	<b>Estimated Cost for Organising the Event (\$ million)</b>	<b>Expected Number of Participants</b>
Hong Kong WinterFest (December) (including Hong Kong New Year Countdown Celebrations)	23.1	The number of spectators of the Hong Kong New Year Countdown Celebrations is expected to be about 400 000. As spectators will be scattered on both sides of Victoria Harbour, it is difficult to estimate the tourist-spectator ratio. For the overall campaign period, it is difficult to estimate the number of participants across different locations.
Hong Kong Chinese New Year Celebrations (January)	17.3	The International Chinese New Year Night Parade to be held in Tsim Sha Tsui is expected to attract about 120 000 participants, of which around 50% will be tourists, based on previous statistics collected on-site by the HKTB. For the overall campaign period, it is difficult to estimate the number of participants across different locations.
Sports Events (February to April)	1.2	It is difficult to estimate the number of participants for promotional events and activities organised by other organisations.
Arts and Entertainment programmes (February to May)		
Third-party Events - Promote the events and activities launched by other organisations		
Total	103.7	

The HKTB estimates that the above campaigns will cost around \$103.7 million. The HKTB has earmarked \$22.2 million for organising the above events and will seek funding support for the remaining \$81.5 million through sponsorships and other incomes.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)180**

Question Serial No.

1682

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

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 use of digital platforms (e.g. DiscoverHongKong.com website, YouTube and social networking sites such as Facebook, Sina Weibo and WeChat, as well as mobile apps) for publicity by the Hong Kong Tourism Board in 2013-14, what is the expenditure on each publicity channel? What is the total expenditure on publicity?

In addition, what is the expenditure on publicity through television networks, online news and mobile channels respectively and the total expenditure?

What are the indicators for evaluating the effectiveness of the above digital media in publicity? What is the ratio for virement of funds?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

The Hong Kong Tourism Board (HKTB) has developed a comprehensive digital marketing strategy that encompasses the Internet, social media and the mobile platform. In 2013-14, the HKTB has earmarked \$41 million for digital media promotion.

In addition, the HKTB has earmarked \$43.3 million in 2013-14 for worldwide public relations promotion, including publicity expenditure through television networks, online news, etc.

The HKTB has been closely monitoring the effectiveness of its promotional initiatives, including through monitoring the number of page views of its website, the number of shares/likes on social media, the number of downloads for mobile applications, etc. The HKTB will make adjustments to its promotional initiatives whenever necessary.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)181**

Question Serial No.

1683

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

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 provide details about the Hong Kong Tourism Board's plans to foster tactical co-operation with overseas trade in long-haul and short-haul markets, and to implement integrated marketing activities in 2013-14? What marketing activities will be implemented? What are the targeted overseas trades in long-haul and short-haul markets?

What are the manpower and expenses required for the above initiatives? What are the indicators to assess the cost-effectiveness?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

The Hong Kong Tourism Board (HKTB) has all along been working with the overseas travel trades to implement promotional activities in different visitor source markets. In 2013-14, details of such work are as below:

**Launching tactical promotions with the overseas travel trades**

The HKTB and the overseas travel trades will jointly fund tactical promotion to encourage overseas consumers to visit Hong Kong. The HKTB will assess the effectiveness of this tactical promotion through different ways such as monitoring the sales of products, publicity generated and the success of new products. In 2013-14, the HKTB will launch the following joint tactical promotional activities:

- Taiwan: In partnership with the Taiwanese travel trade, the HKTB will roll out special offers to attract the young and family segments to spend their vacations in Hong Kong. The promotion will continue in Taipei, Taichung and Kaohsiung.

- North Asia: Riding on the growth momentum of visitor arrivals from South Korea in the past two years, the HKTB will increase promotional budget in the market. Through launching tactical promotion with the South Korean travel trade, promotional effort will be extended to secondary cities such as Busan and Daegu. In Japan, the HKTB will work with the Japanese travel trade to develop themed tourism products such as those on Hong Kong's night view and tram ride, targeting the consumption pattern of the young segment and achievers.
- Southeast Asia: The HKTB will strengthen co-operation with the travel trades in Thailand, the Philippines and Indonesia in tactical promotion. It will also work with the travel trades in Indonesia and Malaysia to motivate the Muslim population to visit Hong Kong during the post-Ramadan period.
- Long-haul markets: Partnering with the travel trades in the US, Canada, the UK, Germany and Australia in joint tactical promotion.

### **Attending overseas travel trade shows with the Hong Kong travel trade and organising trade meetings and travel missions**

In addition, the HKTB will invite the local travel trade to attend overseas travel trade shows and reach out to the overseas travel trades and consumers. During the travel trade shows, the HKTB will promote the diverse strengths of Hong Kong in leisure, Meetings, Incentive Travels, Conventions and Exhibitions (MICE) and cruise tourism. The HKTB will take part in the following travel trade shows in long-haul and short-haul markets in 2013-14:

- Leisure travel trade shows
  - ITB (Berlin, Germany)
  - WTM (London, the UK)
- MICE travel trade shows
  - EIBTM (Barcelona, Spain)
  - IT&CMA (Bangkok, Thailand)
  - IMEX America (Las Vegas, the US)
  - AIME (Melbourne, Australia)
- Cruise travel trade shows
  - Cruise Shopping Miami (Miami, the US)

Meanwhile, the HKTB will organise 15 trade meetings and 54 travel missions to provide platforms for the local and overseas travel trades to exchange information and discuss business co-operation.

The HKTB will assess the effectiveness of these travel trade shows, trade meetings and travel missions by reviewing the number of participants, their satisfaction towards the activities, and their success rate in building partnerships.

In 2013-14, the HKTB has earmarked about \$50.8 million for strengthening trade co-operation, encompassing both long-haul and short-haul markets. The related initiatives will be carried out by the HKTB's Business Development Department, Meetings and Exhibitions Hong Kong Office, and its worldwide offices.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)182**

Question Serial No.

2936

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 Panel on Economic Development (the Panel) previously passed a motion to request the Government to re-plan the development of tourism in Aberdeen (including conducting a study on the Fisherman's Wharf project). However, the Commerce and Economic Development Bureau (CEDB) has not paid heed to the Panel's proposal.

Has the CEDB earmarked provisions in 2013-14 for manpower and expenditure for re-studying the Fisherman's Wharf project in Aberdeen according to the Panel's proposal? If yes, what is the progress of the study? What are the estimated manpower and expenditure required? If not, what are the reasons? How and when will the CEDB formally respond to the motion passed by the Panel?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

We have been attaching great importance to the tourism development of Aberdeen and have made reference to the advice previously given by the Panel on Economic Development in our planning work. In February 2011, we obtained funding approval from the Finance Committee of the Legislative Council to take forward the Aberdeen Tourism Project by carrying out improvement works for the promenades 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 improvement works commenced in late September 2011 and will be completed from now to 2014 by phases. The improvement works at the Aberdeen promenade is almost completed while that at the Ap Lei Chau promenade has already commenced. In line with work progress, the Hong Kong Tourism Board will carry out publicity to promote the local characteristics of Aberdeen. The Southern District Council will also promote the tourism characteristics of the Southern district at the district level.



The consultant appointed by the Government earlier has pointed out that it would not be viable to develop the Fisherman's Wharf at Aberdeen from the commercial perspective. We have no plan to re-examine the project. However, we will continue to maintain close liaison with the Southern District Council and the tourism industry in order to further develop the tourism potential of Aberdeen.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)183**

Question Serial No.

3020

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

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 much “marketing resources behind attendance generation programmes such as ‘Business Right Here’ ” will be provided by the Hong Kong Tourism Board for 2013-14?

Please elaborate on the “Business Right Here” programme. What are the anticipated results?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

To encourage more MICE (meetings, incentive travels, conventions and exhibitions) visitors to attend events in Hong Kong, the Hong Kong Tourism Board (HKTB) launched the “Business Right Here!” promotion in 2009. Through collaborating with event organisers, the HKTB provided registered MICE visitors with special offers, such as discounts for airfare, airport services, sightseeing, dining and shopping for use in Hong Kong. On top of helping event organisers to attract more participants, the “Business Right Here!” promotion also helped to increase the spending of MICE visitors during their stay in Hong Kong, and brought business opportunities to merchants and trade partners providing special offers in the promotion.

In 2013-14, the HKTB will continue to roll out the “Business Right Here!” promotion, and increase the appeal of the special offers by working with the related merchants and trade partners. The HKTB’s budget for the “Business Right Here!” promotion in 2013-14 is HK\$1 million, excluding the special offers provided by merchants and trade partners.

The HKTB expects a 3.5% year-on-year increase in overnight MICE arrivals in 2013.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)184**

Question Serial No.

3021

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

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 “cultivate business opportunities for the travel trade by revamping the format of trade shows, travel missions and familiarisation programmes” in 2013-2014?

What is the expenditure involved in the related revamping efforts? How will the cost-effectiveness be assessed?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

The Hong Kong Tourism Board (HKTB) has reviewed with the local travel trade the overall effectiveness of those travel trade shows, trade meetings and travel missions regularly participated by the trade, as well as the mode of their participation in these trade shows in 2012-13. In 2013-14, the HKTB will focus its resources on participating in 15 large-scale global travel trade shows, four less than that in 2012-13. The HKTB will use the spare resources to provide more support for the local travel trade, such as organising more trade meetings in Hong Kong and overseas to create more opportunities for the local travel trade to meet and conduct business with their overseas counterparts. At the same time, to encourage local trade partners' participation in travel trade shows held in the new markets, the HKTB will offer discounts on participation fees in specified travel trade shows held in these markets.

The HKTB completed the above review in 2012-13 with existing resources. No additional expenses were incurred.

The HKTB will assess the effectiveness of these travel trade shows, trade meetings and travel missions by reviewing the number of participants, their satisfaction towards the activities, and their success rate in building partnerships.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)185**

Question Serial No.

3022

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

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 Hong Kong Tourism Board's (HKTB) expenditure and measures on promoting facilities and venues on Lantau Island and new hotels in 2013-14?

The Lantau Economic Development Alliance, comprising representatives from operators of tourist attractions and theme parks, Islands District Councillors and local residents, has submitted many development proposals to the Government, including opening up some road sections in the closed areas of Lantau Island, comprehensive development of a tourist district on Lantau Island, opening up the SkyPier, and developing a sea route access to the Hong Kong Disneyland. I have repeatedly urged the Government to make reference to the Sentosa model of Singapore in planning the comprehensive development of Lantau Island. However, the Government just repeats the old refrain about expanding the Hong Kong Disneyland every year and turns a deaf ear to all development proposals for Lantau Island.

Has the HKTB expressed any dissatisfaction with the Government's inaction and leaving idle the rich tourism resources of Lantau Island? If yes, what are the HKTB's views? If not, will the HKTB consider expressing their dissatisfaction to the Government?

Will the Government's stance of attaching no importance to developing a tourist district on Lantau Island undermine the effectiveness of the HKTB's promotional efforts?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

The Government has all along attached importance to Lantau as one of Hong Kong's tourist hotspots. As the organisation dedicated to marketing Hong Kong tourism, the Hong Kong Tourism Board (HKTB) will continue to maintain close liaison and co-operation with relevant government departments, local and overseas travel trades, as well as the stakeholders of Lantau to enhance the tourism appeal of Lantau.

The costs for promoting Lantau has been subsumed in the marketing budget of the HKTB which is \$337.8 million in 2013-14.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)186**

Question Serial No.

3179

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

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 2013-14, will the Hong Kong Tourism Board consider setting the Government as its 'promotion' target to ensure that the Government understands the importance of Lantau development to our tourism industry and changes its attitude of indifference?

If yes, what will be the expenditure for the promotion work? If not, can the Hong Kong Tourism Board examine the proposal immediately?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

The Government has all along attached importance to Lantau as one of Hong Kong's tourist hotspots. As the organisation dedicated to marketing Hong Kong tourism, the Hong Kong Tourism Board will continue to maintain close liaison and co-operation with relevant government departments, local and overseas travel trades, as well as the stakeholders of Lantau to enhance the tourism appeal of Lantau.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)187**

Question Serial No.

3181

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

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 the cruise terminal is due to open in 2013, how will the Hong Kong Tourism Board drive more ship calls to Hong Kong through the co-op marketing fund? How much will the policy and related programme cost?

How much money is available under the co-op marketing fund? How does the fund operate?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

Through the co-op marketing fund specially set up for cruise companies, the Hong Kong Tourism Board (HKTB) encourages cruise companies to increase the number of ship calls to Hong Kong and make the city their homeport or turnaround port. By contributing to the funding on a matching basis, the HKTB will jointly launch market promotions and advertising campaigns with the cruise companies that have successfully applied for the fund. This helps assist cruise companies to strengthen their promotional effort to stimulate consumer demand for cruise travel.

The HKTB will allocate a budget of around HK\$4 million for the co-op marketing fund in 2013-14.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)188**

Question Serial No.

3266

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 Lantau Economic Development Alliance, comprising representatives from operators of tourist attractions and theme parks, Islands District Councillors and local residents, has submitted many development proposals to the Government, including opening up some road sections in the closed areas of Lantau Island, comprehensive development of a tourist district on Lantau Island, opening up the SkyPier, and developing a sea route access to the Hong Kong Disneyland. I have repeatedly urged the Government to make reference to the Sentosa model of Singapore in planning the comprehensive development of Lantau Island. However, the Government just repeats the old refrain about expanding the Hong Kong Disneyland every year and turns a deaf ear to all development proposals for Lantau Island.

In the new financial year, will the Commerce, Industry and Tourism Branch take forward the above proposals by formulating and implementing a policy for developing a tourist district on Lantau Island? If yes, what is the estimated expenditure for the project? If not, what are the reasons?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

Lantau is one of Hong Kong's tourist hotspots. The Government is committed to enhancing and developing tourism facilities in Lantau. A number of new tourism attractions apart from the Hong Kong Disneyland (HKD) were completed on Lantau in the past few years, including the AsiaWorld-Expo, Ngong Ping 360, Ngong Ping Piazza and Wisdom Path, and the Tai O Heritage Hotel converted from the former Tai O Police Station. In the coming years, HKD will launch a new night-time parade and put in place a new themed area featuring "Marvel heroes". The Civil Engineering and Development Department will also continue its improvement works for Mui Wo facelift as well as completing the improvement works at Tai O in phases. In addition, the new hotel cum convention facilities at Discovery Bay is already soft opened in March this year. All these new tourism facilities will strengthen the appeal of Lantau tourism.

In 2013-14, the Hong Kong Tourism Board (HKTB) will continue to work closely with local trade to promote the diverse tourism offerings of Lantau to the overseas travel trade, visitors and the media. The costs for promoting Lantau has been subsumed in the marketing budget of the HKTB which is \$337.8 million in 2013-14. Commerce, Industry and Tourism Branch will also leverage on the opportunities arising from the opening of the Hong Kong-Zhuhai-Macao Bridge in 2016 and continue to look into the feasibility of opening up new tourism attractions on Lantau with a view to further promoting the tourism development of Lantau.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)189**

Question Serial No.

4288

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:

Regarding the Mega Events Fund (MEF), it is mentioned in paragraph 40 of the Budget Speech that “we shall continue to sponsor more international mega events to be held in Hong Kong through the Fund, and use the existing mechanism to subsidise mega events hosted by local non-profit-making organisations. In recent years, our neighbouring cities have organised mega events, such as the Formula 1 Races and overseas NBA games. We shall take the initiative to seek to host more mega events.”

1. Please provide the relevant information using the table below:

Name of event	Amount of funding by MEF	Percentage of MEF funding in total expenditure of event	Ticket price(s)	Participation/ attendance		Percentage of tickets allocated to MEF	Percentage of tickets for public sale
				Local residents	Visitors		

\* Regarding the allocation of tickets for MEF-funded events, is a mechanism currently in place under which a certain number of tickets will be allocated to the MEF and a certain percentage of tickets will be allocated for public sale? If yes, what are the details? If not, what are the reasons?

- \* What are the criteria adopted by the Administration in vetting MEF applications to determine if the event should be funded and the funding amount? How are the benefits brought about by MEF-funded events assessed?
- \* Will the Administration formulate measures to ensure the participation of Hong Kong citizens in public-funded activities and avoid funding commercial activities not readily accessible to the public? If yes, what are the details? If not, what are the reasons?

Asked by: Hon. WONG Kwok-hing

Reply:

Since the establishment of the Mega Events Fund (MEF) in 2009 following the funding approval of the Finance Committee of the Legislative Council, eight rounds of applications have been invited and a total maximum sum of \$84.7 million has been granted to support 21 mega events. The details of the events are as follows:

<b>Project title</b>	<b>Funding Ceiling</b>	<b>Ticket prices<sup>^</sup></b>	<b>Number of participants (Number of participating visitors)</b>	<b>Tickets/ Admission Arrangement</b>
Swire “Symphony Under the Stars”	\$1.4 million	Free	18 000 (1 078)	Free admission
Hong Kong Tennis Classic 2010	\$9 million	\$330 – \$1,850 #	14 320 (942)	Need to purchase tickets in advance
Mui Wo Water Lantern and Sky Lantern Festival	\$1.5 million	Free (need to purchase tickets for some of the activities)	49 935 (9 915)	Open event (need to purchase tickets for some of the activities)
Hong Kong 2010 International a cappella Festival	\$0.8 million	\$30 – \$500	13 481 (2 304)	Free admission for some of the activities; free tickets were distributed to students for some other activities; and public sale of tickets for some activities.

<b>Project title</b>	<b>Funding Ceiling</b>	<b>Ticket prices<sup>^</sup></b>	<b>Number of participants (Number of participating visitors)</b>	<b>Tickets/ Admission Arrangement</b>
Hong Kong Musical Festival	\$2.5 million	\$100 – \$230	31 211 (3 317)	Need to purchase tickets in advance
Hope and Glory	\$2 million	Free	63 250 (6 359)	Free admission
Hong Kong Dragon Boat Carnival	\$5 million	Free	150 461 (54 027)	Free admission
Record Breaking Dragon and Lion Dance Extravaganza	\$1 million	Free	60 000 (10 000)	Open event
Hong Kong Tennis Classic 2011	\$5 million	\$360 – \$2,100#	12 802 (1 114)	Need to purchase tickets in advance
Hong Kong Well-wishing Festival	\$1.8 million	Free (need to purchase tickets for some of the activities)	54 639 (2 879)	Open event (need to purchase tickets for some of the activities)
Hong Kong Dragon Boat Carnival 2011	\$4 million	Free	215 558 (51 346)	Free admission
Hong Kong International Jazz Festival 2011	\$3 million	\$150 – \$1,000 #	40 094 (4 003)	Free admission for some of the activities; free tickets were distributed to students for some other activities; and public sale of tickets for some activities.

<b>Project title</b>	<b>Funding Ceiling</b>	<b>Ticket prices<sup>^</sup></b>	<b>Number of participants (Number of participating visitors)</b>	<b>Tickets/ Admission Arrangement</b>
Hong Kong Cricket Sixes 2011	\$3.5 million	\$100 – \$800 #	14 276 (2 260)	Need to purchase tickets in advance
UBS Hong Kong Open Championship 2011	\$8 million	\$120 – \$500 #	38 090 (9 903)	Need to purchase tickets in advance
Dragon and Lion Dance Extravaganza 2012	\$1.4 million	Free	58 580 (19 400)	Open event
Hong Kong Well-wishing Festival 2012	\$1.4 million	Free (need to purchase tickets for some of the activities)	178 136 (34 915)	Open event (need to purchase tickets for some of the activities)
Hong Kong Dragon Boat Carnival 2012	\$6.5 million	Free	206 080 (64 030)	Free admission
UBS Hong Kong Open Championship 2012	\$15 million	\$150 – \$600 #	40 000 (10 493)	Need to purchase tickets in advance
Dragon and Lion Dance Extravaganza 2013	\$1.4 million	Free	65 100 (15 030)	Open event
Hong Kong Well-wishing Festival 2013	\$2.5 million	Free (need to purchase tickets for some of the activities)	133 410 (12 210)	Open event (need to purchase tickets for some of the activities)

<b>Project title</b>	<b>Funding Ceiling</b>	<b>Ticket prices<sup>^</sup></b>	<b>Number of participants (Number of participating visitors)</b>	<b>Tickets/ Admission Arrangement</b>
Manchester United Asia Tour 2013 (Hong Kong Leg)	\$8 million	\$390 – \$990	40 354 (8 140) (expected)	Need to purchase tickets in advance

<sup>^</sup> Special ticket prices may be available for people such as senior citizens, students, people with disabilities, etc. in respect of individual activities.

# Include multi-day package price.

The primary objective of the MEF is to provide funding to support organisations interested in hosting events to organise attractive arts, cultural, sports and entertainment events in Hong Kong, so as to strengthen Hong Kong's position as the events capital of Asia and attract more visitors to Hong Kong.

As for individual MEF supported events, the MEF has specifically requested that the event should allow participation by the local public. But due to the difference in size, nature and budget of each event, we consider that it is not suitable to set down a broad rule on the proportion of tickets that should be made available for local sale for all events. Nevertheless, the MEF Assessment Committee (AC) will, having regard to the circumstances of individual projects, consider whether there is the need to impose additional requirements, and to specify and adjust upward the number of tickets required to be made available for public sale in respect of certain types of events in future. The funding agreement between the government and the organisers set out the obligations of the parties, as well as the detailed funding terms and conditions and control provisions.

The MEF has a strict and open assessment mechanism. The AC will consider all the applications in detail. Successful applications must fulfil various basic criteria. For instance, the event must be an arts, cultural, sports or entertainment event; the organiser(s) must be local non-profit-making organisation(s) (applicable to tier-two scheme); the event should be able to raise the profile of Hong Kong internationally, create a branding impact, attract visitors to Hong Kong specifically for the event and/or lengthen their stay in Hong Kong; generate local and non-local media coverage; contain a non-local element and include participants /spectators from the Mainland and overseas; as well as the number of participants in the event must exceed 10 000. To pass the assessment, the event is also required to attain passing marks for each of the criteria including economic benefits, publicity benefits, scale of the event, technical and financial feasibility, as well as the applicant's event management capabilities, etc. The MEF AC has been assessing each of the applications carefully in accordance with the open assessment mechanism. Applications failing to meet any of the assessment criteria will be rejected.



The funding amount for each supported event varies. The AC 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 organisers, etc. The Controlling Officer of the MEF will determine the amount of funding for each selected application with reference to the AC's recommendation. To attract mega events to be staged in Hong Kong, there is no funding ceiling for each selected event but the funding amount cannot exceed 50% of the total cost of the event.

As regards benefits of the events, the information submitted by the applicants reveals that the MEF supported events can attract a total of over 1 490 000 participants, including over 320 000 visitors, and create around 16 000 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 the 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) and the Information Services Department can also leverage on the opportunities to include these events into its promotional plan and use these events to highlight Hong Kong's position as the events capital of Asia. Through co-operation with trade partners, the HKTB has also developed special tourist packages to attract more visitors to Hong Kong for these events.

The AC and the MEF Secretariat will monitor the process of the organisation of the events to ensure that they are in line with the aim of the MEF, as well as other related requirements. The AC and the Secretariat will observe the entire process of the events and collect the feedback from the participants. The organisers will be required to submit the audited accounts, evaluation report and publicity report of completed events. These reports will be submitted to the AC and Controlling Officer of the MEF for consideration. If it is concluded that the relevant organisers had breached any funding terms and conditions as stated in the agreement; that their performance in organising the events were not satisfactory; or if the events failed to achieve the pre-determined deliverables / targets, sanctions such as withholding of outstanding funds or reducing the level of funding may be imposed. The relevant organisers may even be suspended from future MEF applications.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)190**

Question Serial No.

1221

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:

What specific measures have been adopted by the Government in seeking to join the China-ASEAN Free Trade Area? How much manpower and financial resources have been taken up by these measures? What economic benefits have been brought about so far?

Asked by: Hon. WONG Ting-kwong

Reply:

In November 2011, with the support of the Central People's Government, the Hong Kong Special Administrative Region (HKSAR) formally submitted a request to the Association of Southeast Asian Nations (ASEAN) for joining the China-ASEAN Free Trade Area (CAFTA). Since then, the HKSAR Government has been garnering support from ASEAN Member States through various channels and levels. The Chief Executive and senior government officials of the HKSAR Government, when meeting the government leaders or officials of ASEAN Member States in or outside Hong Kong, have expressed our wish to join CAFTA and elaborated the potential benefits Hong Kong's joining may bring to ASEAN. Senior government officials of the HKSAR Government have also visited ASEAN Member States to garner support from the respective governments and business sectors. The HKSAR Government also made lobbying efforts through Hong Kong's trade and industry organisations as well as prominent business leaders. Furthermore, the HKSAR Government, the Hong Kong Trade Development Council as well as trade and industry organisations have been organising business and trade missions to many of the ASEAN Member States to express Hong Kong's sincerity in enhancing economic cooperation with ASEAN. The HKSAR Government has also been closely liaising with the Ministry of Commerce of China to solicit support from ASEAN Member States through the influence of China on ASEAN.

The work relating to Hong Kong's accession to CAFTA is largely part of the overall work of Commercial Relations under the Trade and Industry Department and the relevant expenditure has been subsumed under the overall estimated expenditure of the Commercial Relations work. It is difficult to account for the relevant manpower and financial resources separately.

In 2012, the Mainland China and ASEAN were the largest and second largest trading partners of Hong Kong respectively. After Hong Kong's accession to CAFTA, Hong Kong's business sectors (including small and medium enterprises) can benefit from the market liberalisation and investment protection measures under CAFTA and gain access to ASEAN markets under more favourable conditions. Hong Kong's accession to CAFTA will not only promote trade and investment in the region, but also consolidate and enhance Hong Kong's status as the major trade, maritime, finance and investment centre in the region.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)191**

Question Serial No.

1222

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:

Being aware of the pressure on various tourism facilities, has the Government conducted studies on the tourism industry's reception capacity for visitors? If yes, what were the details and findings of such studies? What were the manpower and financial resources involved? If not, will the Government conduct similar studies? What are the estimated manpower and financial resources for such studies?

Asked by: Hon. WONG Ting-kwong

Reply:

The Government is assessing the overall capacity of Hong Kong to receive tourists. The areas taken into account include the handling capacity of boundary control points, receiving capacity of tourist attractions and the public transport system, supply of hotel rooms, economic effects of the Individual Visit Scheme, and its impact on the livelihood of the community, etc. All policy bureaux and government departments responsible for the above areas are involved in the assessment work. Regarding the tourism aspect, apart from the Commissioner for Tourism and other staff in the Tourism Commission who are responsible for such work, the Secretary for Commerce and Economic Development and the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) also supervise this work. The expenditure on such work has been subsumed into the provision for 2013-14 for the Commerce, Industry and Tourism Branch. It is difficult to quantify such expenditure separately.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)192**

Question Serial No.

1223

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:

It is stated by the Government that it will set up a joint working group with the Ministry of Commerce for continuous enhancement of the CEPA mechanism. What is the specific work plan of this working group? At what locations will it provide the service? What are the manpower and financial resources involved?

Asked by: Hon. WONG Ting-kwong

Reply:

The joint working group will provide targeted assistance to sectors which have encountered relatively more entry barriers, according to the feedback from the sectors concerned, and help them to resolve CEPA implementation problems in individual provinces and municipalities. Trade and Industry Department (TID) is coordinating with relevant policy bureaux and departments as well as the offices of the HKSAR Government in the Mainland to collate feedback from the trade on their problems in using the CEPA liberalisation measures, for the purpose of setting priority and relevant work agenda. TID and the Mainland counterpart will draw up a detailed work plan, with a view to convening the first working group meeting in the second quarter of the year. The manpower and financial resources involved in the work will be absorbed by relevant bureaux or departments. We do not have the information on the actual amount.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)193**

Question Serial No.

1225

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

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 will set up more Design Galleries in cities other than Beijing and Guangzhou. What is the expected number of additional galleries to be set up? What are the funding and resources required? What are the considerations for selection of location? And what measures will be adopted to ensure fair participation of enterprises that are interested in displaying their products at the galleries?

Asked by: Hon. WONG Ting-kwong

Reply:

The Hong Kong Trade Development Council (TDC) conducted a study on the market potential of Mainland cities last year. According to the study, Wuhan, Qingdao and Chengdu are cities with relatively higher purchasing power in the Mainland and hence are suitable for the development of Hong Kong brands and products. The TDC has also organised promotional activities, the *Style Hong Kong* show, in Wuhan and Chengdu, each of which attracted over 300 000 Mainland consumers to participate and shop for Hong Kong products. The success of these two activities shows that Hong Kong products are welcomed by the local people of these two cities.

In the light of the above, the TDC plans to open new Design Gallery shops in Wuhan and Qingdao in 2013-14, and Chengdu in 2014-15, in order to further expand the network of Design Gallery in the Mainland. In addition, the TDC is collaborating with department stores in the Mainland to open a series of Design Gallery inside the stores under the concept of "shop-in-shop".

The TDC estimates that the Design Gallery shops in Wuhan and Qingdao would be open in April and July this year respectively. The first "shop-in-shop" inside a department store will be open on 28 March in Shanghai this year, whereas another two "shops-in-shop" in Beijing and two more "shops-in-shop" in Wuhan will commence operation in July and October this year respectively.

The TDC's relevant budget in 2013-14 is \$12 million, which includes the cost for shop renovation, operation and promotion.

The TDC treats all the companies interested in showcasing their products at its Design Gallery equally. The fundamental requirement is that all the products showcased in Design Gallery must be the original design or brand of Hong Kong companies.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)194**

Question Serial No.

1229

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:

Regarding the implementation of the SME Financing Guarantee Scheme and the related special concessionary measures, what are the administrative cost and manpower involved? What is the respective amount of administrative cost in proportion to the loan guarantees and loans being approved?

Asked by: Hon. WONG Ting-kwong

Reply:

As at the end of February 2013, over 5 900 applications involving a total loan amount of over \$26 billion and a total guarantee amount of over \$20 billion have been approved under the special concessionary measures of the SME Financing Guarantee Scheme (SFGS) of the Hong Kong Mortgage Corporation Limited.

As regards the administrative costs, as stated in our submission to the Finance Committee of the Legislative Council in April 2012, the Hong Kong Mortgage Corporation Limited will meet the day-to-day administrative costs for operating the special concessionary measures under the SFGS. Additional expenses within the Government arising from the special concessionary measures would be absorbed by the existing resources of the Commerce and Economic Development Bureau.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)195**

Question Serial No.

1230

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:

How much administrative costs and manpower are involved in the \$1 billion BUD Fund since its implementation? What is the proportion of the administrative costs in relation to the amount of fund being granted?

Asked by: Hon. WONG Ting-kwong

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012. Up to the end of February 2013, 54 and 47 applications have been approved and approved with conditions respectively under the Enterprise Support Programme. The total amount of funding approved for the 54 approval cases is about \$21.26 million. As the final approval of the conditional approval cases and the amount of grants will be subject to further information submitted by the applicants, and more resources are required for the publicity and initiation of the Programme at its initial stage of implementation, we are not able to provide an accurate and reasonable calculation at this stage on the proportion of the administrative costs in relation to the amount of funding granted.

As regards the Organisation Support Programme (OSP), up to the end of February 2013, 17 applications have been approved with a total amount of funding of about \$60.64 million. The relevant manpower and administrative costs have been subsumed under the overall provision for the

Trade and Industry Department (the secretariat of the OSP). It is difficult to quantify them separately, hence the proportion of the administrative costs in relation to the amount of funding granted could not be calculated.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)196**

Question Serial No.

1239

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:

At present, what is the total number of enterprises in the local import and export sector? What is the proportion of small and medium enterprises among these enterprises? What measures have been adopted by the Government in support of these enterprises? How much financial resources and manpower are involved?

Asked by: Hon. WONG Ting-kwong

Reply:

According to the latest statistics provided by the Census and Statistics Department, as at September 2012, there are about 99 900 enterprises engaged in import and export trade. About 99 200 of them are small and medium enterprises (SMEs), representing 99.3% of the total number of enterprises engaged in import and export trade.

The Government is committed to supporting SMEs including those engaged in import and export trade. On assisting enterprises in financing, the application period for the special concessionary measures under the SME Financing Guarantee Scheme (SFGS) has been extended for one year up to end of February 2014. The Government would continue to provide a total loan guarantee commitment of \$100 billion. As at the end of February 2013, the Hong Kong Mortgage Corporation Limited has approved over 5 900 applications under the special concessionary measures, including 2 641 applications submitted by enterprises engaged in import and export trade involving a total loan guarantee amount of about \$9.5 billion. The Hong Kong Mortgage Corporation Limited will continue to meet the day-to-day administrative costs for operating the special concessionary measures under the SFGS. Additional expenses within the Government arising from the special concessionary measures would be absorbed by the existing resources of the Commerce and Economic Development Bureau.

The Government also supports enterprises to develop export markets. The Government plans to increase the cumulative grant ceiling for each SME under the SME Export Marketing Fund (EMF) from \$150,000 to \$200,000, subject to the meeting of relevant additional conditions. As of February 2013, there are more than 37 000 SME beneficiaries of the EMF, among which some 4 700 have exhausted their \$150,000 grant ceiling. Assuming that all these enterprises apply for and exhaust the additional grant of \$50,000, the additional expenditure will be \$235 million. The additional expenditure will increase as more SMEs apply for the additional grants after they have exhausted their current cumulative grant ceiling of \$150,000. The additional expenditure will be met by the approved commitment of EMF. The manpower and administrative costs of administering the EMF have been subsumed under the overall provision of the Trade and Industry Department, which cannot be separately quantified.

To further support SME exporters, the Hong Kong Export Credit Insurance Corporation (ECIC) has introduced on 1 March 2013 a "Small Business Policy" (SBP) scheme for Hong Kong enterprises with an annual business turnover of less than \$50 million, providing exporters with more flexibility in taking out insurance cover. Within a period of two years from the same date, SBP policyholders will enjoy waiver of the annual policy fee and up to 20 per cent premium discount. The ECIC also upgraded on 1 March this year the ratings of Turkey and the Philippines and raised the insurance limits of these countries and would provide higher credit limits and lower premium rates for exporters to these countries. The two measures of ECIC have been included in the ECIC's overall budget, and do not involve additional Government resources.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)197**

Question Serial No.

1249

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:

What is the amount of manpower required for the provision of secretariat services and relevant support to the new Economic Development Commission? How will the Administration consider, follow up and provide assistance in respect of the recommendations put forth by the Commission so as to prevent the Commission from being involved merely in empty talk without proper and effective implementation of those recommendations?

Asked by: Hon. WONG Ting-kwong

Reply:

Secretariat support for the Economic Development Commission (EDC) and two of its Working Groups (namely the Working Group on Convention and Exhibition Industries and Tourism and the Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries) is provided by the Commerce and Economic Development Bureau. The relevant work will be handled by existing manpower and an additional Senior Administrative Officer (involving an additional expenditure of about \$1.13 million). The expenses of the EDC's operation in the first year will depend on the discussions of the EDC on the necessary work or plans (e.g. researches) that it needs to conduct. The expenditure involved will be absorbed by this Bureau's existing resources and cannot be assessed at this stage. Secretariat support for the EDC's other two Working Groups (namely the Working Group on Transportation and the Working Group on Professional Services) is provided by the Transport and Housing Bureau and the Development Bureau respectively.

The EDC will provide visionary direction and advice to the Government on the overall strategy and policy to broaden Hong Kong's economic base and to enhance Hong Kong's economic growth and development; and in particular, it will explore and identify growth sectors or clusters of sectors which present opportunities for Hong Kong's further economic growth, and recommend possible policy and other support for these industries. Its Working Groups will provide concrete advice on the policy and support measures that the Government should put in place in respect of the industries under their respective purviews. The EDC is personally led by the Chief Executive, with the relevant Bureau Secretaries as the official members of the EDC and its four Working Groups. The Government will participate in the discussions of the EDC and its four Working Groups, and will consider whether to accept the EDC's recommendations and follow up to ensure their implementation.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)198**

Question Serial No.

1250

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:

By what means will the Administration promote and expand co-operation with Taiwan on trade, investment and tourism fronts? What measures will be taken in the new financial year to strengthen the ties and co-operation with Taiwan as compared with the previous years? What are the details in respect of devising specific co-operation projects and plans?

Asked by: Hon. WONG Ting-kwong

Reply:

The Hong Kong Special Administrative Region Government will continue to actively promote co-operation with Taiwan in the areas of trade, investment and tourism. Relevant work would include –

- On trade promotion, Hong Kong Trade Development Council (TDC) Taipei Office will continue to promote Hong Kong's services industries, and encourage Taiwan brands to co-operate with Hong Kong companies, in order to leverage on Hong Kong's services platform to tap overseas and Mainland markets together. In 2013-14, TDC will continue to promote trade and business co-operation between Hong Kong and Taiwan through organising different activities such as trade fairs, outbound missions, symposiums, seminars, roadshows and business matching activities, etc. In addition, TDC will put more emphasis on promoting sectors where Hong Kong enjoys advantages, such as brand marketing, arbitration, logistics and licensing, etc.

- On investment promotion, Invest Hong Kong (InvestHK) will continue to step up its promotional efforts in Taiwan and organise various activities to encourage and assist the Taiwan companies to set up or expand their business in Hong Kong. In 2013-14, through its investment promotion unit at the Hong Kong Economic, Trade and Cultural Office in Taiwan, InvestHK will continue to reach out proactively to a wide spectrum of Taiwan companies and conduct investment promotion visits to different cities in Taiwan. InvestHK will also organise networking reception for the representatives of the Taiwan companies and business associations in Hong Kong, and continue to maintain close liaison with the Taiwan business community and provide them with aftercare support.
- On tourism, Taiwan is currently Hong Kong's second largest visitor source market. Starting from 1 September 2012, eligible Taiwan residents may submit pre-arrival registration for visiting Hong Kong through the internet free of charge. This measure facilitates Taiwan travellers to visit Hong Kong and helps enhance their propensity to come here for vacation. Leveraging on this arrangement, the Hong Kong Tourism Board (HKTB) will increase its promotional budget in Taiwan in 2013-14, and will work closely with the Taiwan travel trade to attract young and family visitors. Besides Taipei, it will launch promotion in second-tier cities such as Taichung and Kaohsiung, including co-operating with popular radio channels to raise Hong Kong's appeal as Asia's World City. The HKTB expects a 3.4% growth in Taiwan overnight visitor arrivals in 2013.

Moreover, the Government will continue to, through the platforms of "Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council" and "Hong Kong – Taiwan Business Co-operation Committee" of Hong Kong, and the "Taiwan-Hong Kong Economic and Cultural Co-operation Council" and "Economic Co-operation Committee" of Taiwan, enhance multi-faceted and in-depth exchanges between Hong Kong and Taiwan and strengthen bilateral economic co-operation, with a view to promoting economic and trade development of the Mainland, Hong Kong and Taiwan.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)199**

Question Serial No.

1251

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

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:

With ever-increasing operating costs in the Mainland, one of the major duties of the Hong Kong Trade Development Council (TDC) is to help Hong Kong companies expand into South and Southeast Asia and help Hong Kong small and medium enterprises (SMEs) identify export opportunities in emerging markets. In the new financial year, what plans does the TDC have in this area? What is the amount of resources earmarked for helping the SMEs? What was the effectiveness of the relevant work in the past?

Asked by: Hon. WONG Ting-kwong

Reply:

In 2013-14, the Hong Kong Trade Development Council (TDC) will focus on helping Hong Kong companies to explore the business opportunities in emerging markets with strong consumption power, including India, Indonesia, Turkey and Latin America etc.. TDC will also establish a set of appropriate and comprehensive strategies for each market, so as to promote the major export products of Hong Kong in these markets such as electronics, garment and accessories, watches and clocks, jewellery, gifts and household products etc.. For example, TDC will organise large-scale trade fair(s) in these markets; arrange inbound and outbound business mission(s); invite major importers and distributors from these markets to participate in the TDC exhibitions in Hong Kong; and organise better business matchings and networking activities etc.. Some of the highlighted activities are as follows:

- to organise “Lifestyle Expo” in Jakarta and Istanbul to promote Hong Kong products and brands. TDC will set up “Small Order Zone” in the trade fairs to help Hong Kong small and medium enterprises (SMEs) to tap into these emerging markets;
- to organise sector-specific business missions to Indonesia, India, Malaysia, Vietnam, United Arab Emirates (UAE), Saudi Arabia, Russia, Latin America and Africa, to promote the stylish products of Hong Kong;

- to organise delegations to emerging markets such as Myanmar and Indonesia to help Hong Kong manufacturers to assess the suitability of these places as alternate manufacturing bases;
- to set up Hong Kong Pavilions at the trade fairs in Dubai of UAE and Mumbai of India to promote Hong Kong designs and brands;
- to explore the possibility of organising a Hong Kong-India Business Roundtable to enlist the support from key Indian trade associations and business enterprises;
- to lead business missions for enterprises from different service industries to emerging markets, e.g. a business mission for the infrastructure and real estate services sector to Myanmar and a business mission for the information and technology sector to Thailand; and to organise seminars and various promotional activities in emerging markets such as the ASEAN (Association of Southeast Asian Nations) countries, to promote the advantages of Hong Kong's services industries;
- to expand TDC's database on emerging markets by adding more company files of importers, distributors, retailers and online retailers, beefing up information on potential buyers of Hong Kong products and services in ASEAN markets and encouraging stronger ASEAN participation in our signature events and trade fairs; and
- to organise seminars and workshops to update SMEs with the latest developments of the emerging markets and niche sectors.

The above are part of the work covered under Programme (3). We do not have separate breakdown of expenditure for each of them. According to past experience, a lot of SMEs have benefited from the TDC's work. TDC organised a variety of product promotion activities, such as trade fairs, business missions and product displays in 2012-13, bringing a total of over 410 Hong Kong SMEs to countries such as Myanmar, India, Indonesia, Vietnam and Malaysia for market visits and trade promotion. These outbound activities helped Hong Kong companies better understand the new opportunities available and further expand business network in these markets. Moreover, TDC organised the second edition of Lifestyle Expo in Jakarta in March 2013, bringing about 200 Hong Kong SMEs to promote a variety of their quality products.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)200**

Question Serial No.

1255

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 Government co-ordinated with the Hong Kong Tourism Board and relevant parties to promote fine food and wine. How can the Administration assist in the further promotion and, given the popularity of the previous Wine and Dine Festivals, will it consider extending the duration and range of the Festival in collaboration with the restaurants recommended by the Michelin Guide Hong Kong and Macau so as to attract more tourists to visit Hong Kong for enjoyment? If so, what is the estimated resources required; if not, what are the reasons?

Asked by: Hon. WONG Ting-kwong

Reply:

The Hong Kong Tourism Board (HKTB) has since 2010 designated November as the “Hong Kong Wine and Dine Month”. In order to entice visitors to Hong Kong during the month, apart from staging the 4-day “Hong Kong Wine and Dine Festival”, the HKTB will work with the catering sector to promote culinary activities rolled out in major dining districts, as well as special wine-and-dine and accommodation offers by catering outlets and the hotel sector.

This year, the “Hong Kong Wine and Dine Festival” will be held at a new site – the New Central Harbourfront. The HKTB will strive to enrich the contents of the event, such as inviting award-winning restaurants (such as Michelin-starred restaurants and Best of the Best Culinary Awards-winning restaurants) to participate in the festival. The HKTB is also exploring the possibility of inviting new partners, such as restaurants and retailers that provide up-market wine and food, so that visitors of the event will be able to enjoy new and top-notch culinary experience.

In 2013-14, the HKTB estimates that the cost of staging the “Hong Kong Wine and Dine Month” (including the “Hong Kong Wine and Dine Festival”) will be around \$37 million. The HKTB has earmarked \$2.4 million within its budget for staging the event and will seek additional funding support of \$34.6 million through sponsorships and other incomes.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)201**

Question Serial No.

1256

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:

What is the current progress on berthing facilities of the Kai Tak Cruise Terminal? Will the first berth come into operation in mid-2013 as expected? What plan does the Administration have to tie in with the ceremony for celebrating the commissioning and what assistance will it provide? The increase of \$77.8 million (53.1%) in the Government's estimated provision under the relevant programme is mainly due to the increased provision arising from the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal. Will the Administration advise on the preparation concerned, including software and hardware facilities?

Asked by: Hon. WONG Ting-kwong

Reply:

The construction of the Kai Tak Cruise Terminal is moving forward in full steam. The terminal building and the first berth will commence operation in June 2013. The Tourism Commission is working closely with the Hong Kong Tourism Board in stepping up the promotion of cruise tourism and the new terminal. We are now planning for the commissioning arrangements of the new terminal and will announce the details later on.

The increase in the estimated provision under this programme in 2013-14 is mainly due to increased provision arising from the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal following its commissioning in June 2013, which amounts to \$79.234 million. It covers the maintenance of electrical and mechanical facilities of the terminal (\$61.559 million), property management services for communal areas (\$4.111 million), and public utility charges such as electricity charges for communal areas and facilities (\$13.564 million).

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)202**

Question Serial No.

1260

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

Programme: (2) Commercial 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 specific measures have the Government adopted to promote Hong Kong to the emerging markets for strengthening trade connections with them? What are the amount of manpower and financial resources involved? How many small and medium enterprises (SMEs) in Hong Kong have trade links with the BRICS countries at present? What is the percentage of such SMEs among all SMEs in Hong Kong?

Asked by: Hon. WONG Ting-kwong

Reply:

The emerging markets have undergone continuous economic development in recent years. We have been actively enhancing trade and investment co-operation with the emerging markets so as to open new markets for Hong Kong's merchandise and services and create business opportunities. We will promote Hong Kong and strengthen trade links through arranging visits for principal officials with the participation of representatives of the business sector where appropriate. Moreover, we will explore the possibilities of forging various bilateral agreements, including comprehensive free trade agreements and investment promotion and protection agreements, etc., to strengthen economic and trade ties. Currently, we are negotiating an investment promotion and protection agreement with Russia to strengthen the protection of Hong Kong investments in Russia and to attract Russian businessmen to invest in Hong Kong.

Furthermore, the Hong Kong Trade Development Council (HKTDC) will also help Hong Kong companies identify business opportunities in targeted emerging markets such as India and Latin America. HKTDC will hold trade fairs in emerging markets, organise outbound business missions for Hong Kong traders; arrange inbound business missions for traders from emerging markets; encourage more importers and distributors from emerging markets to participate in HKTDC trade fairs, and provide business matching services and networking activities for participants of these fairs.

The work relating to emerging markets is part of the overall work of Commercial Relations and the relevant expenditure has been subsumed under the overall estimated expenditure for all Commercial Relations work. It is difficult to account for the manpower and financial resources separately.

We do not have the statistics on the number of Hong Kong's small and medium enterprises doing trade with the BRICS.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)203**

Question Serial No.

1261

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:

In 2012, there were over 48 million visitors to Hong Kong. What are the top ten visitor sources? What are the visitor arrivals, total spending and average per capita spending of various places? How much has the inflation rate been driven up by the total spending of inbound tourism which exceeded \$300 billion? In addition, what is the total expenditure of the Government in promoting tourism?

Asked by: Hon. WONG Ting-kwong

Reply:

According to the information collected by the Hong Kong Tourism Board (HKTB), the number of visitor arrivals and the average per capita spending among overnight visitors of the top ten visitor source markets of Hong Kong in 2012 are as follow:

	<b>Visitor Source Market</b>	<b>Visitor Arrivals</b>	<b>Provisional Figures on Average Per Capita Spending among Overnight Visitors (vs. 2011)</b>
1	Mainland China	34,911,395	\$8,525 (+3.7%)
2	Taiwan	2,088,745	\$5,615 (-4.2%)
3	Japan	1,254,602	\$6,198 (+7.5%)
4	The United States	1,184,757	\$7,405 (+3.6%)
5	South Korea	1,078,458	\$4,389 (+0.9%)



	<b>Visitor Source Market</b>	<b>Visitor Arrivals</b>	<b>Provisional Figures on Average Per Capita Spending among Overnight Visitors (vs. 2011)</b>
6	Macau	882,942	\$4,581 (+5.0%)
7	Singapore	728,224	\$7,561 (+10.4%)
8	The Philippines	709,753	\$5,467 (+0.1%)
9	Australia	632,462	\$8,390 (+3.7%)
10	Malaysia	624,859	\$5,965 (+11.1%)

Based on the HKTB's provisional figures, the Total Tourism Expenditure Associated to Inbound Tourism in 2012 reached \$306.5 billion, an increase of 16.5% over 2011.

Over the past few years, inflation in Hong Kong was mainly driven by food prices and housing rentals. The former was largely affected by the movements of global food prices, whereas the latter reflected the situation of the residential property market and the overall economic conditions. In 2012, while inbound tourism continued to expand vibrantly, local inflation displayed a general easing trend, mainly due to the tapering of year-on-year increase in private housing rentals and receding local food inflation. Many major components in the Composite Consumer Price Index that are relevant to tourist spending (such as meals bought away from home, clothing and footwear, durable goods, etc) saw moderated price increases over the course of 2012. This indicates that local inflation may not be directly related to the trend of inbound tourism in a significant way.

In 2012-13, the HKTB's revised marketing budget for Hong Kong and various visitor source markets was around \$358.2 million.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)204**

Question Serial No.

4566

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 action plan and estimated expenditure involved in the Administration's efforts to support the further development of wine-related businesses in Hong Kong in 2013-14.

Asked by: Hon. YICK Chi-ming, Frankie

Reply:

Details of our efforts in 2013-14 to support the further development of wine-related business are given below –

- (a) trade and investment promotion: the Commerce and Economic Development Bureau co-ordinates the promotion work of relevant agencies, namely the Hong Kong Trade Development Council, the Hong Kong Tourism Board, and Invest Hong Kong, including wine promotion events such as the Wine and Dine Festival and the International Wine and Spirits Fair;
- (b) clearance facilitation: the Mainland customs facilitation scheme for wines imported from Hong Kong has been extended from Shenzhen to Guangzhou since November 2012. We will enhance its promotion and seek refinements in consultation with the Mainland Customs;
- (c) manpower training and education: the Government will carry out a manpower survey for the wine industry in 2013-14. It will assess the manpower demand and supply and training needs, for reference by industry players and training providers;

- (d) wine storage: the Hong Kong Quality Assurance Agency has reviewed its scheme for accrediting storage facilities in 2012, and set the direction for developing wine accreditation services. We will co-operate with the HKQAA;
- (e) combating counterfeit wine: the Customs and Excise Department (C&ED) will continue to ally with the industry for strengthening co-operation in intelligence collection and market monitoring. C&ED will also continue to liaise with overseas and Mainland enforcement agencies for enhancing its capacity in intercepting any suspected counterfeit wine and verifying wine authenticity; and
- (f) international co-operation: we signed an agreement with Germany in May 2012, making a total of 13 agreements on wine co-operation. We will continue to look for other partners to strengthen promotional activities in areas including wine-related trade, investment, tourism, etc.

We cope with the workload arising from the implementation of the above measures through re-deployment of existing resources. The related expenditure are subsumed under the establishment of and provision for the Commerce, Industry and Tourism Branch of this Bureau. It is difficult to quantify such expenditure separately. Regarding the two key wine-related promotion events mentioned in (a) above, the costs are met through government subvention, charging of fees and commercial sponsorship.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)205**

Question Serial No.

2162

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:

It was stated in the Budget Speech that as at the end of last year, 13 applications for redevelopment or wholesale conversion of industrial buildings into hotels were approved by the Lands Department. It is estimated that some 10 000 new hotel rooms will be provided this year and next year. In other words, the supply of hotel rooms will increase by an average of 7% for this year and the next year. How can the Administration ensure that the increased supply will come about as scheduled?

Asked by: Hon. YIU Si-wing

Reply:

The estimate of some 10 000 new hotel rooms to be provided this and next year includes projects involving revitalization of industrial buildings for hotel use, as well as Commercial/Business sites converted by developers for hotel use through applying for planning permission (if applicable).

The supply of hotel room is largely driven by the market. Developers will decide on and adjust their hotel development plans and the construction pace with reference to various factors such as their forecasts on visitor arrival growth, economic prospect, hotel business environment and profitability, etc. We will continue to liaise with the stakeholders concerned and the hotel trade, and closely monitor the supply and demand situation of the hotel market in Hong Kong.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)206**

Question Serial No.

2163

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:

It is mentioned in the Budget that the Government will make available one “hotel only” site in 2013-14, providing some 300 hotel rooms. With the land supply for hotel development in the coming year solely, it will be difficult to maintain an average annual growth of 7% in the supply of hotel rooms for the coming 3 to 4 years. What other measures will the Government adopt to increase the supply of hotel rooms?

Asked by: Hon. YIU Si-wing

Reply:

The Government has been taking a multi-pronged approach to increase hotel room supply. Apart from the “hotel only” sites mentioned in the Budget, the Government will continue to implement related existing policies, such as the revitalization of industrial buildings and historic buildings for hotel use. On the other hand, our two flagship theme parks (i.e. Ocean Park and the Hong Kong Disneyland) will continue to follow up on their hotel development plans. In addition, developers could convert Commercial/Business sites for hotel use through applying for planning permission (if applicable). According to the current information, it is expected that some 10 000 new hotel rooms will be provided this year and the next. The Government will continue to liaise with the stakeholders concerned and the hotel trade, and closely monitor the supply and demand situation of the hotel market in Hong Kong.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)207**

Question Serial No.

2167

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:

In his 2013-14 Budget, the Financial Secretary has proposed to offer a \$2.3 billion loan to Ocean Park to build a Water World at Tai Shue Wan. What specific Water World projects will the loan be used for? What is the repayment schedule and what is the interest rate on the loan?

Asked by: Hon. YIU Si-wing

Reply:

The Government will offer a \$2.3 billion loan to be drawn down from 2013 in three years, at a floating interest rate equivalent to the interest rate of the Government's fiscal reserves placed with the Exchange Fund (currently 5%), to the Ocean Park for the Tai Shue Wan Development Project. The loan term will be 20 years. The project includes an all-weather waterpark, a retail-dining-cum-entertainment zone and a parking zone with a total of more than 20 facilities.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)208**

Question Serial No.

2169

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

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:

Last year (i.e. 2012-13), the Hong Kong Tourism Board (HKTB) planned to invest \$182.5 million in its promotional activities for 20 key source markets around the world. Of this amount, 70% or \$127.4 million was to be invested in markets other than the Mainland.

The tourism boards of the Mainland and Macau have always subsidised their tourism industry in organising roving exhibitions and presentations overseas. In recent years, what was the amount spent by Hong Kong on subsidising the tourism industry in conducting publicity activities with the HKTB overseas? How effective were they?

Asked by: Hon. YIU Si-wing

Reply:

To encourage local trade partners' participation in travel trade shows in new markets, in 2012-13, the Hong Kong Tourism Board offered discounts on their participation fees in specified travel trade shows in these markets. The total amount involved was \$860,000. With the discounts offered, the number of participating organisations increased by 37% from 49 in 2011-12 before the launch of the discount scheme to 67 in 2012-13.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)209**

Question Serial No.

2170

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:

During the Chinese New Year Holiday this year, the number of tourists visiting the 2 major theme parks in Hong Kong reached new height. It took hours for the tourists to queue for the games and facilities. The Ocean Park even stopped selling tickets for a short period of time which left a bad impression on the tourists. In the Budget, it was stated that the expansion plans for the 2 theme parks would be implemented soon. However, as expansion works need time, what measures will be taken by the Administration during the transitional period to smooth traffic flow during the peak travel seasons?

Asked by: Hon. YIU Si-wing

Reply:

The Ocean Park has been taking a series of crowd control measures during holiday periods like summer holidays, the Chinese New Year and Christmas. Such measures include increasing the number of shows and attractions offered, extending the park's operating hours and setting maximum capacities on the number of guests in the Park. All the above measures and information are broadcast to the public through different channels. Despite the Ocean Park suspended the sale of tickets for a short period of time for crowd control reason during the recent Chinese New Year, the park took appropriate measures and made timely public announcements, which kept the level of inconvenience to visitors to a minimum and no special incident occurred.



The Hong Kong Disneyland is likewise committed to providing the best experience to the guests. It makes arrangements in anticipation of peak day traffic of visitors during summer holidays, the Chinese New Year and Christmas, such as extending the park's opening hours and increasing the frequency of float parade performances.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)210**

Question Serial No.

2172

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:

At the beginning of the year, i.e. during the Lunar New Year, a number of Mainland tour groups experienced some unpleasant incidents in Hong Kong, revealing the existence of unscrupulous business practices in the industry, such as shadow travel agents, travel agents receiving tour groups before reserving hotel accommodation, etc. How will the Administration assist the Travel Industry Council in strengthening measures to regulate the operation of Mainland inbound tour groups? Prior to the establishment of the Travel Industry Authority, does the Government need to allocate more manpower and other resources to support the industry and prevent the re-occurrence of these problems?

Asked by: Hon. YIU Si-wing

Reply:

The Government all along attaches great importance to the service quality of the tourism sector in Hong Kong. To further improve the operation of Mainland inbound tours, the Travel Industry Council of Hong Kong (TIC)'s "Task Force on the Review of the Operation and Regulation of Mainland Inbound Group Tours" met in March this year to explore measures for strengthening the regulation of Mainland inbound tours. The Commissioner for Tourism also joined the meeting. In view of the recent "3A Holidays" incident, we have formally requested the TIC to study thoroughly how to strengthen the 10 measures for regulation of Mainland inbound tours, including strengthening regulation on accommodation arrangements for Mainland inbound tours and conducting random checks on tour confirmation agreements, etc. After the TIC has ironed out details of the new measures, we will liaise with the China National Tourism Administration and solicit co-operation from related tourism authorities.

The Travel Agents Ordinance and the current regulatory regime will continue to be in force until the establishment of the Travel Industry Authority, so the TIC will continue to regulate and penalise any non-compliance of travel agents. During the transition period, the TIC will continue to handle any non-compliance cases in a serious manner and the Travel Agents Registry will also step up its surveillance work to ensure the normal operation of the industry. We will carry out the above work with existing resources.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)211**

Question Serial No.

2173

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 Budget states, "We shall continue to make use of the \$1 billion BUD Fund set up last June to assist Hong Kong enterprises to enhance their competitiveness in the Mainland through upgrading and restructuring, developing brands and promoting domestic sales in the Mainland. The Fund has since received more than 500 applications." Please provide the number of successful applications that are from tourism-related industries so far.

Asked by: Hon. YIU Si-wing

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012. Up to the end of February 2013, 54<sup>1</sup> and 17 applications were approved under the Enterprise Support Programme and Organisation Support Programme of the BUD Fund respectively, amongst which there is no application from tourism-related industries.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

<sup>1</sup> Excluding 47 applications that were granted conditional approval. The final approval of such applications and the amount of grants will be subject to further information submitted by the applicants.

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

**CEDB(CIT)212**

Question Serial No.

2174

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

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:

To promote Hong Kong as a leading cruise hub in the region, the Hong Kong Tourism Board (HKTB) will drive more ship calls to Hong Kong through a co-op marketing fund. Please explain in details how HKTB will use the co-op marketing fund to achieve the above objective. What is the estimated amount to be drawn from the fund for this purpose? What is its percentage in the total amount of the co-op marketing fund?

Asked by: Hon. YIU Si-wing

Reply:

Through the co-op marketing fund specially set up for cruise companies, the Hong Kong Tourism Board (HKTB) encourages cruise companies to increase the number of ship calls to Hong Kong and make the city their homeport or turnaround port. By contributing to the funding on a matching basis, the HKTB will jointly launch market promotions and advertising campaigns with the cruise companies that have successfully applied for the fund. This helps assist cruise companies to strengthen their promotional effort to stimulate consumer demand for cruise travel.

The HKTB will allocate a budget of around HK\$4 million for the co-op marketing fund in 2013-14.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)213**

Question Serial No.

2184

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:

- (a) Under the Tier-1 Scheme, “the Government will be entitled to profit sharing of the event”. Please inform this Committee of the profit and loss situation of each event and of the way the profit (if any) was used.
- (b) Has the Administration reviewed the outcome of each MEF-supported event, including the number of overseas visitors drawn to it and the economic benefits for Hong Kong?
- (c) Has the MEF earmarked a specific percentage of estimated expenditure for supporting special events of local organisations to promote local culture to overseas visitors? If so, what was the percentage? If not, what was the reason?
- (d) Some events, such as the Hong Kong Well-wishing Festival and the Dragon and Lion Dance Extravaganza, have been supported by the MEF for three consecutive years. Will the Administration cap the number of years for supporting a particular event? If so, what will be the number of years? If not, what is the reason?

Asked by: Hon. YIU Si-wing

Reply:

- (a) We sought approval from the Finance Committee (FC) of the Legislative Council (LegCo) last year to allocate \$150 million for extending the operation of the Mega Events Fund (MEF) for 5 years and to modify the MEF into a two-tier system, which enabled the Fund to support international acclaimed mega events to come to Hong Kong on the one hand, and improved the

original mechanism for applications by local non-profit-making organisations on the other. On the tier-one scheme, we have commissioned an independent consultant to recommend international mega events that are suitable to be held in Hong Kong. The study is making good progress. To ensure proper use of public funds, the MEF Assessment Committee (AC) will approach the respective event organisers in accordance with the recommended priorities of suitable events, to make sure that they understand the detailed operation of the MEF, as well as to explore the mode of co-operation (such as the ceiling of the MEF support, specific performance deliverables and target of the events, the profit-sharing mechanism if the event generates any profit, etc.) If an agreement could be reached, the organisers would be invited to submit formal applications to the MEF, and the AC would assess the applications in accordance with the established and open assessment criteria. So far, the MEF has not approved funding to any tier-one events.

- (b) The MEF was established in 2009 following the funding approval of FC of LegCo. Since its inception, eight rounds of applications have been invited and a total maximum sum of \$84.7 million has been granted to support 21 mega events. The details of the events and their respective amount of funding are as follows:

<b>Project title</b>	<b>Organiser</b>	<b>Nature</b>	<b>Date of Event</b>	<b>Number of participating visitors</b>	<b>Funding Ceiling</b>
Swire “Symphony Under the Stars”	Hong Kong Philharmonic Orchestra	Large-scale outdoor classical concert	13 November 2009	1 078	\$1.4 million
Hong Kong Tennis Classic 2010	Hong Kong Tennis Patrons’ Association Limited	International tennis tournament	6 - 9 January 2010	942	\$9 million
Mui Wo Water Lantern and Sky Lantern Festival	Hung Shing Festival Preparatory Committee Limited	Traditional cultural activity	26 - 29 March 2010	9 915	\$1.5 million
Hong Kong 2010 International a cappella Festival	The Hong Kong Federation of Youth Groups	Large-scale music festival	27 March – 22 April 2010	2 304	\$0.8 million

<b>Project title</b>	<b>Organiser</b>	<b>Nature</b>	<b>Date of Event</b>	<b>Number of participating visitors</b>	<b>Funding Ceiling</b>
Hong Kong Musical Festival	Springtime Experimental Theatre Perry Chiu Experimental Theatre Ah Lo Productions Chung Ying Theatre Company	Large-scale musical opera festival	29 March – 21 April 2010	3 317	\$2.5 million
Hope and Glory	The Birch Foundation	Large-scale multi-media arts exhibition	8 April – 30 May 2010	6 359	\$2 million
Hong Kong Dragon Boat Carnival	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	23-25 July 2010	54 027	\$5 million
Record Breaking Dragon and Lion Dance Extravaganza	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2011	10 000	\$1 million
Hong Kong Tennis Classic 2011	Hong Kong Tennis Patrons' Association Limited	International tennis tournament	5-8 January 2011	1 114	\$5 million
Hong Kong Well-wishing Festival	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	11-17 February 2011	2 879	\$1.8 million
Hong Kong Dragon Boat Carnival 2011	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	17-19 June 2011	51 346	\$4 million



<b>Project title</b>	<b>Organiser</b>	<b>Nature</b>	<b>Date of Event</b>	<b>Number of participating visitors</b>	<b>Funding Ceiling</b>
Hong Kong International Jazz Festival 2011	Hong Kong Jazz Association	Large-scale music festival	25 September – 2 October 2011	4 003	\$3 million
Hong Kong Cricket Sixes 2011	The Hong Kong Cricket Association	International cricket tournament	28 - 30 October 2011	2 260	\$3.5 million
UBS Hong Kong Open Championship 2011	Hong Kong Golf Association Limited	International golf tournament	1 - 4 December 2011	9 903	\$8 million
Dragon and Lion Dance Extravaganza 2012	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2012	19 400	\$1.4 million
Hong Kong Well-wishing Festival 2012	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	23 January – 6 February 2012	34 915	\$1.4 million
Hong Kong Dragon Boat Carnival 2012	Hong Kong Dragon Boat Association Hong Kong Tourism Board	Traditional cultural activity with strong sports element	2-8 July 2012	64 030	\$6.5 million
UBS Hong Kong Open Championship 2012	Hong Kong Golf Association Limited	International golf tournament	15 - 18 November 2012	10 493	\$15 million
Dragon and Lion Dance Extravaganza 2013	Hong Kong Dragon and Lion Festival Preparatory Committee	Traditional cultural activity	1 January 2013	15 030	\$1.4 million
Hong Kong Well-wishing Festival 2013	Lam Tsuen Wishing Square Development Limited	Traditional cultural activity	10-23 February 2013	12 210	\$2.5 million

<b>Project title</b>	<b>Organiser</b>	<b>Nature</b>	<b>Date of Event</b>	<b>Number of participating visitors</b>	<b>Funding Ceiling</b>
Manchester United Asia Tour 2013 (Hong Kong Leg)	Kitchee Foundation Limited	Soccer exhibition match	29 July 2013	8 140 (expected)	\$8 million

As regards the economic benefits of the event, the information submitted by the applicants reveals that the MEF supported events can attract a total of over 1 490 000 participants, including over 320 000 visitors, and create around 16 000 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 the MEF funding, the organisers can increase the scale of the events, enhance their publicity work outside Hong Kong and raise the events' international profile. The Hong Kong Tourism Board (HKTB) and the Information Services Department also leverage on the opportunities to include these events into its promotional plan and use these events to highlight Hong Kong's position as the events capital of Asia. Through co-operation with trade partners, the HKTB has also developed special tourist packages to attract more visitors to Hong Kong for these events.

- (c) The MEF has no pre-determined budget for individual applicants. Any local non-profit organisations hosting large-scale arts, culture, sports and entertainment events in Hong Kong can apply for funding support from the tier-two scheme of the MEF. The number of mega events receiving the MEF's funding support, as well as their respective nature and funding amount, etc. will depend on the number of applications received and how many of them can successfully pass the assessment.
- (d) Organisations which have previously received funding support by the MEF are not prohibited to submit their applications again. As long as the proposed events are able to fulfil certain criteria (such as the number of participants must reach at least 10 000, the event contains an international element, the abilities of the event to attract visitors and media coverage, the event's publicity and economic benefits, technical feasibility as well as the applicant's organising ability, etc.), the applications may be considered.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)214**

Question Serial No.

2185

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:

It is mentioned in the Budget Speech that, in the coming few years, Hong Kong Disneyland will launch new projects funded by its operating surplus. These new projects include a night-time parade and a themed area featuring "Marvel heroes", the first of its kind in the world. What is the total estimated expenditure of these new projects? How does the Administration assess the surplus of Disneyland in the coming few years? How to ensure that the amount of surplus will not affect the launch of new projects and consequently undermine Disneyland's competitiveness among theme parks in the region?

Asked by: Hon. YIU Si-wing

Reply:

The Walt Disney Company is now carrying out relevant design works and working out cost estimates for the new attractions at the Hong Kong Disneyland (HKD).

With the first reported net profit in fiscal year 2012, and the opening of the third themed area under the current expansion, Mystic Point, in the middle of this year, we are confident that the business of HKD will continue to improve. The further expansion of HKD will be completed in phases in the coming years. Sufficient funds will be reserved for the expansion when HKD prepares its annual operations budget. We are confident that the operating surplus of HKD can cover the capital expenditure of the planned new attractions.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)215**

Question Serial No.

2186

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:

SME Financing Guarantee Scheme

- a. Regarding the SME Financing Guarantee Scheme introduced in May 2012, please advise on the number of applications and approved cases. How many applications are associated with tourism and related industries?
- b. Regarding the SME Financing Guarantee Scheme introduced in the last financial year, only \$24 billion or so out of the loan guarantee commitment of \$100 billion has been approved as at the end of January 2013. The utilisation rate is relatively low. What has been done by the Government in the past year to actively promote the Scheme to SMEs? Will additional resources be put into improving the low utilisation rate?

Asked by: Hon. YIU Si-wing

Reply:

The Hong Kong Mortgage Corporation Limited (HKMC) launched the special concessionary measures under its existing SME Financing Guarantee Scheme on 31 May 2012. The Government has provided a total loan guarantee commitment of \$100 billion. As at 28 February 2013, the HKMC has received over 6 800 applications and approved over 5 900 applications, involving a total loan amount and a total guarantee amount of over \$26 billion and \$20 billion respectively. 31 applications were received and approved in respect of the tourism industry, involving a total loan amount and a total guarantee amount of about \$130 million and \$82 million respectively.

To promote the special concessionary measures to SMEs, the HKMC participated in about 10 seminars or discussion forums organised by industry and trade organisations during the past year. The Government has also promoted the special concessionary measures through TV and radio Announcements of Public Interest. In 2013-14, we will continue to promote the special concessionary measures through the above channels and distributing leaflets through various trade associations and over 30 participating lending institutions.

The HKMC will meet the day-to-day administrative costs for operating the special concessionary measures. Additional expenses within the Government arising from the special concessionary measures would be absorbed by the existing resources of the Commerce and Economic Development Bureau.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)216**

Question Serial No.

2188

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:

With the approval of the Legislative Council to set up the Travel Industry Authority (TIA), has the Administration earmarked an estimated expenditure for the preparation and establishment of the TIA? If yes, what is the amount of provision? What is the distribution of the estimated expenditure? If no, what are the reasons?

Asked by: Hon. YIU Si-wing

Reply:

The Government announced in end-2011 to establish the Travel Industry Authority (TIA) to take over the current regulatory and licensing functions of the Travel Industry Council of Hong Kong and the Travel Agents Registry. Targets of regulation include travel agents, tour escorts and tourist guides. The Tourism Commission under the Commerce, Industry and Tourism Branch (CITB) of the Commerce and Economic Development Bureau is responsible for the preparation work for the establishment of the TIA. The expenditure on such work has been subsumed into the provision for 2013-14 for CITB. It is difficult to quantify such expenditure separately.

For the funding arrangements of the TIA, we propose that the TIA should operate on a self-financing basis in the long run. To avoid substantially increasing the operating costs of the trade upon the establishment of the TIA, and causing unreasonable burden to the travelling public, we propose that the Government should provide a one-off capital grant to the TIA as seed money

meeting the set-up cost and part of the operating expenses, and as contingency reserve. We have to study the TIA's operation, fees arrangement, organisational structure, etc before recommending the actual funding amount. No provision has been made at this stage.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)217**

Question Serial No.

2189

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:

How will the Administration strengthen and expedite the development of the tourism facilities on Lantau Island with other policy bureaux in response to the resolutions of the Legislative Council? Is it necessary to provide additional manpower? What is the estimated expenditure involved?

Asked by: Hon. YIU Si-wing

Reply:

The Government is committed to enhancing and developing tourism facilities in Lantau. A number of new tourism attractions apart from the Hong Kong Disneyland (HKD) were completed on Lantau in the past few years, including the AsiaWorld-Expo, Ngong Ping 360, Ngong Ping Piazza and Wisdom Path, and the Tai O Heritage Hotel converted from the former Tai O Police Station. In the coming years, HKD will launch a new night-time parade and put in place a new themed area featuring "Marvel heroes". The Civil Engineering and Development Department will also continue its improvement works for Mui Wo Facelift as well as completing the improvement works at Tai O in phases. In addition, the new hotel cum convention facilities at Discovery Bay is already soft opened in March this year. All these new tourism facilities will strengthen the appeal of Lantau tourism.

On the other hand, the Airport Authority Hong Kong is working on the design details for the expansion of the Hong Kong International Airport into a Three-Runway System, including the provision of land for commercial developments at the airport to meet the airport operational requirements. Such a provision will also utilize the potential of the economic synergies arising from enhanced connectivity between the airport and the Pearl River Delta region as a result of the completion of large-scale cross-boundary infrastructures (particularly the Hong Kong-Zhuhai-Macao Bridge (HZMB)).



Regarding promotion work, the Hong Kong Tourism Board (HKTb) has been working closely with the local trade to promote the diverse tourism offerings of Lantau to the overseas travel trade, visitors and the media. The island offers large-scale MICE (meetings, incentive travels, conventions and exhibitions) venues and many hotels. With these facilities and offerings and its close proximity to the Hong Kong International Airport, Lantau has the potential to develop into a new MICE hub. The Meetings and Exhibitions Hong Kong (MEHK) Office under the HKTb has successfully linked up various major attractions and venue operators on Lantau to roll out the “Lantau Island – An Inspirational MICE Destination” promotion in September 2011 with an aim to turning Lantau into a one-stop MICE hub. To step up promotion efforts, the MEHK will join hands with various MICE and related trade partners to roll out the second phase of the “Lantau Island – An Inspirational MICE Destination” publicity campaign between April and June 2013.

In 2013-14, the HKTb will continue to work closely with the local trade to promote the diverse tourism offerings of Lantau to the overseas travel trade, visitors and the media. The costs for promoting Lantau has been subsumed in the marketing budget of the HKTb, which is \$337.8 million in 2013-14. Commerce, Industry and Tourism Branch will also leverage on the opportunities arising from the opening of the HZMB in 2016 and continue to look into the feasibility of opening up new tourism attractions on Lantau with a view to further promoting the tourism development of Lantau.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)218**

Question Serial No.

2190

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:

Provision for 2013–14 is \$77.8 million (53.1%) higher than the revised estimate for 2012–13. This is mainly due to increased provision arising from the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal. Please provide the estimated breakdown of the major expenses. Moreover, as the terminal building and first berth will be commissioned in the middle of this year, how will the Hong Kong Tourism Board develop Hong Kong as a leading regional cruise hub? And what are the target numbers of cruise vessels and visitors to be attracted to Hong Kong each year?

Asked by: Hon. YIU Si-wing

Reply:

The increase in the estimated provision under this programme in 2013-14 is mainly due to increased provision arising from the operation of the terminal building and ancillary facilities for the Kai Tak Cruise Terminal following its commissioning in June 2013, which amounts to \$79.234 million. It covers the maintenance of electrical and mechanical facilities of the terminal (\$61.559 million), property management services for communal areas (\$4.111 million), and public utility charges such as electricity charges for communal areas and facilities (\$13.564 million).

In 2013-14, the major initiatives of the Hong Kong Tourism Board (HKTB) in the promotion of cruise tourism include:

- (a) Strengthening Hong Kong's image as Asia's Cruise Hub
  - (i) Widely promote Hong Kong's advantages in cruise tourism to the trade and media through major regional and international industry fairs and events.

- (ii) To tie in with the opening of the Kai Tak Cruise Terminal, the HKTB will invite overseas media to cover the relevant news during the opening period and in the second half of the year.
- (b) Encouraging cruise companies to include Hong Kong in their itineraries and stimulate consumer demand for cruise travel
- (i) Encourage cruise companies to increase the number of ship calls to Hong Kong and to choose Hong Kong as homeport through the co-op marketing fund.
  - (ii) Stimulating consumer interest in cruise travel in the Mainland, especially South China, by organising consumer promotion activities and through advertising, public relation initiatives and digital marketing. In addition, there is also a plan to set up designated teams in major Mainland cities, including Guangzhou and Shanghai, to support the development and promotion of cruise tourism business in the Mainland.
  - (iii) Roll out promotion activities in such markets as the US and Australia to raise consumer interest in fly-cruise travel to Hong Kong. Furthermore, the HKTB will pilot a scheme to attract corporations and organisations in Mainland China and India to organise charter sailings as incentive programmes, combining Meetings, Incentive Travels, Conventions and Exhibitions (MICE) and cruise travel.

(c) Enhancing onshore experience of cruise passengers

Through the “New Tour Product Development Scheme”, the HKTB will encourage the trade to develop new and innovative shore excursion programmes.

(d) Supporting co-operation between Hong Kong and neighbouring ports

The HKTB will continue to support the Government in strengthening co-operation with other ports in the region to develop regional cruise itineraries and diversified cruise travel products.

The number of cruise ship and passenger arrivals to Hong Kong depends on the ship deployment plans of cruise companies and the marketing strategies of the terminal operators. The business of the new terminal will also take some time to mature. With the commissioning of the Kai Tak Cruise Terminal and the promotional effort of the HKTB, we envisage that the overall cruise market will grow steadily.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)219**

Question Serial No.

2191

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

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 Hong Kong Tourism Board (HKTB)

- a. How to optimise the use of marketing resources to attract visitors to Hong Kong for the purpose of diversifying visitor portfolio? Which are the top 10 target markets? How much of the total marketing investment is estimated to be spent on each market next year? How many visitors will be attracted to Hong Kong?
- b. How many resources will be used on the Mainland visitor market next year? Of these resources, how many will be used on the Pan-Pearl River Delta Region (PPRD) and areas outside the PPRD? And is there any promotion plan to attract more Mainland visitors who would stay for a greater number of days in Hong Kong?

Asked by: Hon. YIU Si-wing

Reply:

- (a)-(b) To maintain a diverse visitor portfolio and uphold Hong Kong's image as the Asia's World City and a premier travel destination, the Hong Kong Tourism Board (HKTB) will continue to invest in 20 visitor source markets in 2013-14, including 15 key markets and five new markets. These 20 markets altogether contribute about 95% of overnight visitor arrivals to Hong Kong.

In 2013-14, the HKTB will allocate 71% of its marketing budget for source markets (about \$125 million) to the international markets. The remaining amount, or about 30% of the total budget (about \$51.4 million), will be invested in the Mainland market, 84% of which will be allocated to non-Southern China, with a view to attracting more longer-stay Mainland visitors.

In 2013-14, the HKTB will allocate \$21.7 million, or about 42% of its marketing budget for the Mainland, to the Central China and South China regions, which cover various provinces and cities in the Pan-Pearl River Delta Region.

The proposed marketing budget in various source markets is as follows:

	<b>2013-14 Proposed Marketing Budget (\$ million)</b>
<b><i>Mainland China</i></b>	<b><i>51.4</i></b>
South China	8.5
Central China	13.2
East China	14.7
North China	15.0
<b><i>Short-haul Markets</i></b>	<b><i>51.4</i></b>
Japan	12.3
Taiwan	11.9
South Korea	12.3
Singapore	3.5
The Philippines	3.6
Malaysia	2.5
Indonesia	3.0
Thailand	2.3
<b><i>Long-haul Markets</i></b>	<b><i>43.9</i></b>
USA	15.9
Australia	10.4
The UK	7.1
Canada	4.0
Germany	3.5
France	3.0
<b><i>New Markets</i></b>	<b><i>29.8</i></b>
India	13.4
Russia	7.7
The Middle East	5.0
Vietnam	1.3
The Netherlands	2.4

The HKTB expects visitor arrivals to Hong Kong in 2013 will be about 51.9 million, of which about 38 million will come from the Mainland, about 8.63 million from short-haul markets, 4.28 million from long-haul markets and about 1 million from new markets.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)220**

Question Serial No.

2192

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

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 expected that the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (Ordinance no. 25 of 2012) will come into operation in 2013-14. Please advise the resources to be deployed and the areas in which the Administration will direct its efforts in order to help business operators gain a full understanding of the Ordinance and avoid breaching the law inadvertently.

Asked by: Hon. YIU Si-wing

Reply:

The Customs and Excise Department and the Communications Authority as the enforcement agencies of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 ("Amendment Ordinance") consulted the stakeholders and the general public on the draft enforcement guidelines for the Amendment Ordinance from 7 December 2012 to 17 March 2013. The enforcement agencies are examining the views received during the consultation and will revise the enforcement guidelines as appropriate, so as to facilitate traders' deeper understanding of the Amendment Ordinance. Besides, this Bureau is coordinating the education and publicity programmes of the Customs and Excise Department, the Office of the Communications Authority and the Consumer Council, including Announcements of Public Interest, educational pamphlets and briefs etc., with a view to enhancing the understanding of traders and consumers of the Amendment Ordinance. The resources required will be deployed by this Bureau and relevant parties from within existing resources.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)221**

Question Serial No.

2193

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

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:

1. How many of the complaints received by the Consumer Council in the past three years (i.e. 2010-11, 2011-12 and 2012-13) were related to the tourism sector? What were the major aspects of the complaints? How many cases were transferred to the Travel Industry Council of Hong Kong (TIC) for follow-up?
2. My office receives from time to time complaints against airlines from the public and travel agents. Some members of the public said that they had lodged their complaints to the Consumer Council but were told that they should seek assistance from the TIC. However, the TIC said that their regulation covered only travel agents, not airlines. Will the Administration begin to strengthen the role of the Consumer Council in handling airline-related disputes in 2013-14? If yes, what are the resources required? If not, what are the reasons?

Asked by: Hon. YIU Si-wing

Reply:

1. The number of complaints relating to the tourism sector received by the Consumer Council (CC) in the past three years is as follows -

2010-11	2011-12	2012-13 (up to February)
799	963	883

The complaints are mainly on the sale of air tickets, tour package and airline services.



Among the above cases, the number of cases referred to the Travel Industry Council (TIC) is as follows -

2010-11	2011-12	2012-13 (up to February)
156	124	115

2. There is an established complaint referral mechanism between the CC and the TIC, under which complaints received by the CC that fall within the TIC's regulatory reach will be referred to the TIC for handling. If the complaints are outside the TIC's regulatory reach, the CC will follow up with the traders concerned direct. Under normal circumstances, complaints involving outbound travel agents or inbound travel agents concerning arrangements on reception and shopping will be referred to the TIC for handling.

For consumer complaints relating to air tickets or airlines, the way in which the CC handles them depends on the respective means of purchase. For cases involving consumers purchasing air tickets from a holder of Travel Agents Licence, since they are within the TIC's regulatory reach, the CC will refer the cases to the TIC for handling. For cases involving consumers purchasing air tickets from airlines direct, the CC will directly handle the cases. However, some consumers may purchase air tickets directly through websites outside Hong Kong. As the companies concerned are not registered in Hong Kong, the CC may have difficulties in taking follow-up actions on the disputes involved.

The CC will continue to closely monitor market developments and deploy manpower as appropriate to handle relevant complaints.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)222**

Question Serial No.

2199

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

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 terms of utilising digital media and creative publicity programmes, the Hong Kong Tourism Board will leverage the newly enhanced digital platforms by making use of fan pages on social networking sites such as Sina Weibo and WeChat as well as mobile apps. In this connection, can the Administration provide information such as hit rate or other data in recent years as an indication of the market response? In the coming three years (i.e. 2013-2014, 2014-2015 and 2015-2016), will additional resources be allocated for the publicity of digital media? With regard to the provision for publicity purposes, how will the Administration adjust its distribution?

Asked by: Hon. YIU Si-wing

Reply:

The Hong Kong Tourism Board (HKTB) has developed a comprehensive digital marketing strategy that encompasses the Internet, social media and mobile applications. Popularity of these platforms is listed below:

DiscoverHongKong.com website

Year	Number of visits
2010	56.8 million
2011	58.6 million

(Number of visits for DiscoverHongKong.com in 2012 is not available as the website was undergoing some upgrading works during 2012.)

Number of Downloads of mobile applications

Year	Number of downloads
2010	310 243
2011	376 389
2012	537 186

Social media (as at 31 January 2013)

Platform	Cumulative number of fans
Facebook	358 000
Twitter	17 000
Sina <i>Weibo</i>	592 000
WeChat	8 090#

# As the HKTb started using WeChat for promotion in November 2012, the number of fans for this platform is lower as compared to other platforms.

The HKTb has been closely monitoring the effectiveness of different promotional channels and will, based on the latest consumer spending pattern and market trends, deploy resources to digital marketing and related promotional activities.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)223**

Question Serial No.

2200

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:

Given that a review on the existing operation and regulatory framework of the tourism sector is going to be conducted, can the Administration elaborate on the proposed content, timetable and estimated expenditure of the review?

Asked by: Hon. YIU Si-wing

Reply:

The Government conducted a public consultation exercise on the review of the operation and regulatory framework of the tourism sector in Hong Kong in mid-2011. The scope included the regulatory framework of the tourism sector, the licensing system for travel agents as well as the regulation of tourist guides. After completion of the review, the Government announced in end-2011 to establish the Travel Industry Authority (TIA) to take over the current regulatory and licensing functions of the Travel Industry Council of Hong Kong and the Travel Agents Registry. Targets of regulation include travel agents, tour escorts and tourist guides. In the past year, we have been actively carrying out preparation work for the establishment of the TIA. We plan to report to the Legislative Council Panel on Economic Development on the progress in mid-2013. It is expected that the draft legislation for the establishment of the TIA could be introduced into the Legislative Council around mid-2014.

The Tourism Commission under the Commerce, Industry and Tourism Branch (CITB) of the Commerce and Economic Development Bureau is responsible for the preparation work for the establishment of the TIA. The expenditure on such work has been subsumed into the provision for 2013-14 for CITB. It is difficult to quantify such expenditure separately.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)224**

Question Serial No.

5476

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 Mainland authorities announced in mid 2012 that Mainland tour groups taking cruises from Hong Kong to Taiwan would be allowed to visit Japan or Korea on the same cruise journey before their return. It is stated in the Budget Speech that the Government will collaborate with the travel trade and neighbouring ports on itinerary development and regional co-operation in view of the commissioning of the Kai Tak Cruise Terminal in the middle of this year. Will the Government explain how it will take advantage of the new initiative of the Mainland to develop cross-boundary cruise tourism? And how will the Government budget funds to serve this purpose?

Asked by: Hon. YIU Si-wing

Reply:

The Central People's Government announced in June 2012 a new policy to support the development of cruise industry in Hong Kong. Under the new policy, Mainland tour groups taking cruises from Hong Kong to Taiwan could visit Japan or Korea in the same cruise journey before returning to the Mainland. The new policy will facilitate cruise companies to organise more diversified itineraries for Mainland tourists and attract them to join a cruise journey from Hong Kong. This is also conducive to encouraging cruise companies to deploy more ships to the Asia-Pacific region, thereby promoting the development of cruise industry in the Mainland and Hong Kong.

We have already provided additional resources for the Hong Kong Tourism Board (HKTB) to step up the promotion of cruise tourism. Apart from attracting more cruise ships to visit Hong Kong through the co-op marketing fund, the HKTB will stimulate consumer interest in cruise travel in the Mainland, especially South China, by organising consumer promotion activities and through advertising, PR initiatives and digital marketing. In addition, there is also a plan to set up designated teams in major Mainland cities, including Guangzhou and Shanghai, to support the development and promotion of cruise tourism business in the Mainland.

The HKTB's estimated budget for promoting cruise tourism in 2013-14 is about HK\$15.6 million, which includes the provision for promotion work in the Mainland market.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)225**

Question Serial No.

1857

Head: 96 Government Secretariat: Overseas  
Economic and Trade Offices

Subhead (No. & title): 000 Operating  
expenses

Programme:

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The amount of allowances under emoluments for overseas Economic and Trade Offices will increase from about \$41 million in 2012-13 to nearly \$49 million in 2013-14. The increase is greater than that of the salaries. What are the reasons for this? What items are included in the allowances?

Asked by: Hon. CHEUNG Wah-fung, Christopher

Reply:

The allowances relating to the 'Personal Emoluments' under Subhead 000 Operational expenses are not entirely linked to the salaries. Hence, the increase of provision for allowances and that for salaries do not have direct correlation. The allowances in 2013-14 mainly cover items relating to staff's acting allowance, overtime allowance, exchange compensation allowance, posting subsistence allowance and the payment of the employer's contributions towards provident funds, pension and insurance schemes for locally engaged staff as required by the local legislations.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)226**

Question Serial No.

0416

Head: 96 Government Secretariat: Overseas  
Economic and Trade Offices

Subhead (No. & title):

Programme: (2) Public Relations

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 past five years (from 2008-2009 to 2012-2013), did the overseas Hong Kong Economic and Trade Offices (ETOs) make any effort in promoting Hong Kong's cultural and arts industry and to assist the local cultural / arts organizations to liaise with related overseas organizations with a view to tapping into overseas market? If yes, what are the details? If no, would the administration consider formulating plans to assist local cultural and arts industry in developing overseas markets in future.

Asked by: Hon. CHUNG Shu-kun, Christopher

Reply:

In the past five years (from 2008-09 to 2012-13), apart from enhancing Hong Kong's economic and trade relationships with foreign countries / cities, our overseas Hong Kong Economic and Trade Offices (ETOs) (except the Geneva ETO) also assisted in promoting cultural and art exchanges. From time to time, ETOs have organized and sponsored different cultural and art events in the countries / cities under their respective charge, including film festivals, concerts, dance performances, art exhibitions, dragon boat races, etc. and have invited famous Hong Kong film directors, actors, designers, etc. to participate in the related events. Our ETOs have also supported local cultural and art groups in overseas exchanges, for instance, arranging the Hong Kong Ballet, Hong Kong Sinfonietta, Asian Youth Orchestra, drama groups, etc. to perform in different cities. Our ETOs will continue to promote Hong Kong's cultural and art achievements and characteristics, and support our local cultural and art industry to tap the overseas market.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)227**

Question Serial No.

3115

Head: 96 Government Secretariat: Overseas  
Economic and Trade Offices

Subhead (No. & title):

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 the records management work over the past three years (up to 2012):

1. Please provide information on the number and rank of officers designated to perform such work. If there is no officer designated for such work, please provide information on the number of officers and the hours of work involved in records management duties, and the other duties they have to undertake in addition to records management;
2. Please list in the table below information on programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal:

Category of records	Years covered by the records	Number and linear metres of records	Retention period approved by GRS	Are they confidential documents

3. Please list in the table below information on programme and administrative records which have been transferred to GRS for retention:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

4. Please list in the table below information on records which have been approved for destruction by GRS:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

Asked by: Hon. HO Sau-lan, Cyd

Reply:

1. The Overseas Economic and Trade Offices (ETOs) have already appointed their respective Office Managers as the Records Manager to help implement and monitor records management matters.
2. In the past three years (i.e. 2010 to 2012), the ETOs did not have any programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal.
3. In the past three years (i.e. 2010 to 2012), the ETOs did not have any programme and administrative records which have been transferred to GRS for retention.
4. Information on records which have been approved for destruction by GRS in the past three years (i.e. 2010 to 2012):

Category of records	Years covered by the records	Number and linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
Administrative	1989-2009	43 files / 1.82 lm	2011	According to General Administrative Records Disposal Schedules	No
	1989-2001	1 file / 0.04 lm	2011		Yes

Category of records	Years covered by the records	Number and linear metres (lm) of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
Programme	Nil	Nil	Nil	Nil	Nil

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)228**

Question Serial No.

3791

Head: 96 Government Secretariat: Overseas  
Economic and Trade Offices

Subhead (No. & title):

Programme: (1) Commercial Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (1), the provision for overseas Economic and Trade Offices (ETOs) in 2013-14 is \$157.7 million, representing an increase of 6% over 2012-13. What are the reasons? Does the ETOs' objective to represent and promote Hong Kong's trading and commercial interests outside Hong Kong include providing assistance to local small and medium enterprises (SMEs)? If yes, what was the number of cases in which the ETOs provided assistance to SMEs in the past 3 years (i.e. up to 2012-13)? If no, what were the reasons?

Asked by: Hon. LAM Tai-fai

Reply:

Provision for overseas Economic and Trade Offices (ETOs) in 2013-14 is \$8.9m (6%) higher than the revised estimate for 2012-13. This is mainly due to the increased salary and allowance for locally engaged staff, increased salary and allowance provisions for filling of vacancies and staff changes, and increased operating expenses.

The Government attaches great importance to the development of Hong Kong enterprises, especially small and medium enterprises (SMEs), and is committed to creating and maintaining a conducive and business-friendly environment. ETOs seek to promote bilateral economic and trade relations between Hong Kong and different regions and to support Hong Kong businessmen (including SMEs) to explore overseas business opportunities. ETOs liaise closely with local government officials, business chambers and the media on a regular basis, and organize activities such as seminars to enhance their understanding of Hong Kong on the one hand, and to introduce Hong Kong's latest developments and advantages in various aspects on the other so as to encourage local enterprises to invest in Hong Kong or collaborate with Hong Kong enterprises (including SMEs) to explore the Asian and Mainland markets. ETOs do not have information on the number of cases in which they provided assistance to individual enterprises in the past three years.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)229**

Question Serial No.

0124

Head: 96 Government Secretariat: Overseas  
Economic and Trade Offices

Subhead (No. & title):

Programme: (1) Commercial Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2013-14, the provision for commercial relations is \$157.7 million, which represents an increase of 7.1% over the original estimate for 2012-13. Would the Administration advise on the following:

- (1) According to the indicators, the number of meetings on trade-related matters attended in 2013 is 3 730, which is more than the number 3 646 in 2012, but the estimates for other indicators are less than those in 2012. What are the reasons?
- (2) Please list out the provision for each of the 11 overseas Economic and Trade Offices (ETOs) in 2013 and the allocation of the provisions under various indicators, and please compare the figures with those in 2012; and
- (3) Would the Administration consider setting up new overseas ETOs in 2013-14. If yes, what additional provisions are required? If no, what are the reasons?

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

(1) Under Programme (1), the number of meetings on trade-related matters attended in 2013 is estimated to be higher than the actual figures in 2012, mainly due to the Ninth World Trade Organization Ministerial Conference. The 2013 estimates for other indicators are all slightly lower than the actual figures in 2012. This is mainly because overseas ETOs organised more promotion and liaison activities in 2012 to mark the 15<sup>th</sup> Anniversary of the Establishment of Hong Kong Special Administrative Region.

(2) Under Programme (1) Commercial Relations, the distribution of 2012-13 revised estimate and 2013-14 estimate for ETOs are tabulated below.

	Overseas Economic and Trade Offices											
	Brussels	Geneva	Berlin	London	New York	San Francisco	Washington	Singapore	Sydney	Tokyo	Toronto	Total
<i>(1) Commercial Relations</i>												
<b>2012-13 revised estimate under Subhead 000 Operational Expenses (\$ million)</b>	14.0	40.4	9.1	11.0	7.3	7.9	21.7	7.1	8.4	15.4	6.5	<b>148.8</b>
<b>2013-14 estimate under Subhead 000 Operational Expenses (\$ million)</b>	14.2	37.6	9.4	16.2	8.2	8.6	23.5	7.8	8.9	16.5	6.8	<b>157.7</b>

Provision for individual ETOs under Subhead 000 Operational Expenses is for the salaries, allowances and other integrated operating expenses of the overseas ETOs. Hence, we are unable to show the provision for individual ETOs by individual indicators.

(3) This Bureau has at present no plan for setting up a new ETO in 2013-14. Taking into account the changing economic situation, staff of the ETOs have visited different places under their respective coverage so as to assist Hong Kong businessmen to explore overseas business opportunities. The ETOs had also embarked on new efforts to explore and tap into the emerging markets, such as Turkey, Russia, Latin America and ASEAN member countries. For instance, the London ETO has strengthened its liaison in Russia in view of the robust development of the Russian economy recently. Similarly, the Singapore ETO has conducted numerous visits to various ASEAN countries and organised different business and trade activities in recent years for Hong Kong enterprises to explore the ASEAN emerging markets. We will continue to monitor the situation in different economic regions, and make appropriate use of the ETOs' current resources. We will also review the situation from time to time, and suitably increase resources when necessary so as to enhance the effectiveness of the concerned ETOs.

Name in block letters: ANDREW HY WONG  
 Post Title: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)  
 Date: 26.3.2013

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

**CEDB(CIT)230**

Question Serial No.

0144

Head: 96 Government Secretariat: Overseas  
Economic and Trade Offices

Subhead (No. & title): 000 Operational  
expenses

Programme:

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The revised estimate for disturbance allowance under Personnel Related Expenses in 2012-13 was \$1,662,000. Could the Administration explain why an estimate of \$3,091,000 is required for the above allowance in 2013-14?

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

A one-off disturbance allowance is paid to an officer when he is posted outside Hong Kong and when he returns to Hong Kong on completion of his tour in compensation for the miscellaneous expenses consequential upon the outside-HongKong posting and changes in daily life. Provision for disturbance allowance in 2013-14 is \$1.429 million higher than the revised estimate for 2012-13. This is mainly due to the anticipated greater number of officers to be posted to various overseas Economic and Trade Offices and to return to Hong Kong at the end of postings in 2013-14 than 2012-13.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013



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

**CEDB(CIT)231**

Question Serial No.

2460

Head: 96 Government Secretariat: Overseas  
Economic and Trade Offices

Subhead (No. & title):

Programme: (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (a) Please list the expenditure and manpower involved in the promotion of local cultural and creative industries, local culture and exchanges by overseas Economic and Trade Offices (ETOs) in the past 2 years (i.e. the 2011-12 and 2012-13 financial years), and the percentage that such expenditure represented.
- (b) What concrete plans do ETOs have for the promotion of local cultural and creative industries, local culture and exchanges in the 2013-14 financial year? What are the estimated expenditure and manpower involved?

Asked by: Hon. MA Fung-kwok

Reply:

- (a) In the past two years (from 2011-12 to 2012-13), apart from enhancing Hong Kong's economic and trade relationships with foreign countries / cities, our overseas Economic and Trade Offices (ETOs) (except the Geneva ETO) also assisted in promoting local cultural and creative industries and cultural exchanges. From time to time, ETOs have organized and sponsored different art and cultural events in the countries / cities under their respective charge, including film festivals, concerts, dance performances, art exhibitions, dragon boat races, etc. and have invited famous Hong Kong film directors, actors, designers, etc. to participate in the related events. Our ETOs have also supported local art and cultural groups in overseas exchanges, for instance, arranging the Hong Kong Ballet, Hong Kong Sinfonietta, Asian Youth Orchestra, drama groups, etc. to perform in different cities. The relevant promotion is part of the overall work of ETOs in Public Relations, and the expenditures and number of staff involved cannot be accurately and separately itemized.

- (b) In the 2013-14 financial year, our ETOs will continue to promote Hong Kong's art and cultural achievements and characteristics, and support our local creative industries to tap the overseas market. Since the relevant work has been included in the overall work of ETOs in Public Relations, the expenditure and number of staff involved cannot be accurately and separately estimated.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)232**

Question Serial No.

4992

Head: 96 Government Secretariat: Overseas  
Economic and Trade Offices

Subhead (No. & title): (000) Operational  
Expenses

Programme:

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

(a) The Government has been studying the feasibility of establishing new Economic and Trade Offices (ETOs) / Liaison Units in other overseas cities. Currently, the Tokyo ETO is also responsible for Korean affairs. With the growing importance of economic and IT developments of Korea in Asia, does the Government have any plans to set up a new ETO in Korea? If yes, what are the details? If no, what are the reasons?

(b) What are the criteria in determining the host countries / regions / cities for establishing new ETOs / Liaison Units? Does the government have any plan in establishing new ETOs / Liaison Units? If yes, what are the details and timetable? If no, what are the reasons?

Asked by: Hon. MOK, Charles Peter

Reply:

(a) This Bureau has at present no plan to set up new Economic and Trade Office (Office) in Korea. Currently, the Tokyo ETO is responsible for promoting closer economic and trade ties, cultural exchanges, etc. with Korea and Japan. Apart from organizing activities in Japan, the Tokyo ETO also conducted duty visits to different prefectures and cities in Korea. This arrangement is functioning well. We will continue to monitor the situation in Korea, and make appropriate use of the Tokyo ETO's current resources.

(b) At present, there are 11 overseas Hong Kong ETOs. Taking into account the changing economic situation, staff of the ETOs have visited different places under their respective charge so as to assist Hong Kong businessmen to explore different overseas business opportunities. This Bureau has at present no plan to set up new overseas ETOs in 2013-14. Nevertheless, we will review the situation from time to time, and suitably increase resources when necessary so as to enhance the effectiveness of the concerned ETOs.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)233**

Question Serial No.

4993

Head: 96 Government Secretariat: Overseas  
Economic and Trade Offices

Subhead (No. & title):

Programme: (2) Public Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Apart from enhancing Hong Kong's economic and trade relationship with foreign countries / cities, Economic and Trade Offices (ETOs) should also promote the art and cultural exchanges (including creative industries). Did ETOs organize and plan any art and cultural exchanges under their respective charge? What are the details? If no, what are the reasons?

Asked by: Hon. MOK, Charles Peter

Reply:

Apart from enhancing Hong Kong's economic and trade relationships with foreign countries / cities, our overseas Hong Kong Economic and Trade Offices (ETOs) (except the Geneva ETO) also assisted in promoting art and cultural exchanges. From time to time, ETOs have organized and sponsored different art and cultural events in the countries / cities under their respective charge, including film festivals, concerts, dance performances, art exhibitions, dragon boat races, etc. and have invited famous Hong Kong film directors, actors, designers, etc. to participate in the related events. Our ETOs have also supported local art and cultural groups in overseas exchanges, for instance, arranging the Hong Kong Ballet, Hong Kong Sinfonietta, Asian Youth Orchestra, drama groups, etc. to perform in different cities. Our ETOs will continue to promote Hong Kong's art and cultural achievements and characteristics, and support our local creative industries to tap the overseas market.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)234**

Question Serial No.

4995

Head: 96 Government Secretariat: Overseas  
Economic and Trade Offices

Subhead (No. & title):

Programme: (1) Commercial Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It has been the view of the industry sectors that the overseas Economic and Trade Offices (ETOs) of the Hong Kong Government have not made enough efforts to assist Hong Kong enterprises to seek new business opportunities overseas, for instance, to get them to know the major tender projects there, or assist them to liaise with or introduce them to potential business partners. The ETOs would only provide general and non-targeted information on the local economic situation. Do ETOs have any plan to conduct more targeted activities to help Hong Kong enterprises to explore business opportunities? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. MOK, Charles Peter

Reply:

The overseas Economic and Trade Offices (ETOs) seek to promote bilateral economic and trade relations between Hong Kong and different regions. Throughout the years, ETOs are committed to supporting Hong Kong businessmen to explore overseas business opportunities. ETOs liaise closely with local government officials, business chambers and the media on a regular basis, and organize activities such as seminars to enhance their understanding of Hong Kong on the one hand, and to introduce Hong Kong's latest developments and advantages in various aspects on the other so as to encourage local enterprises to invest in Hong Kong or collaborate with Hong Kong enterprises to explore the Asian and Mainland markets. ETOs may also provide support for Hong Kong business and industry delegations visiting countries under their purview, and arrange visits with related enterprises, or meetings with relevant government departments, business chambers and

overseas organizations, thus allowing Hong Kong businessmen to have a better understanding of overseas markets.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)235**

Question Serial No.

4616

Head: 96 Government Secretariat: Overseas  
Economic and Trade Offices

Subhead (No. & title):

Programme: (1) Commercial Relations

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The overseas Economic and Trade Offices sent officers abroad to give public speeches in the past 3 years (i.e. 2010-11, 2011-12 and 2012-13).

- (a) What were the criteria for selecting officers?
- (b) Please list the locations and themes for speeches given in the past 3 years.
- (c) How were the deliverables evaluated? What was the expenditure involved?

Asked by: Hon. QUAT, Elizabeth

Reply:

- (a) In general, the Heads of Economic and Trade Offices (ETOs) will represent the offices to give public speeches.
- (b) In the past three years (from 2010 to 2012), ETOs had given a total of 397, 433 and 436 public speeches respectively in the countries or cities under their respective charge. The speeches mainly cover the latest conditions and economic developments in Hong Kong, and promote the unique strengths of Hong Kong as a platform for businesses to gain access to the Mainland market, and also as an international financial and trading centre.



- (c) Through speaking engagements at different occasions, ETOs can effectively promote Hong Kong and enhance its international profile. The expenditure on giving public speeches was included in the total expenditure of our ETOs, and cannot be separately itemized.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013

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

**CEDB(CIT)236**

Question Serial No.

4581

Head: 96 Government Secretariat: Overseas  
Economic and Trade Offices

Subhead (No. & title): 000 Operational  
expenses

Programme:

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

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The expenditure of overseas Economic and Trade Offices on disturbance allowance increases by 86% from the 2012-13 revised estimate of \$1.66 million to the 2013-14 estimate of \$3.09 million. What are the reasons?

Asked by: Hon. TIEN Pei-chun, James

Reply:

A one-off disturbance allowance is paid to an officer when he is posted outside Hong Kong and when he returns to Hong Kong on completion of his tour in compensation for the miscellaneous expenses consequential upon the outside-HongKong posting and changes in daily life. Provision for disturbance allowance in 2013-14 is \$1.43 million higher than the revised estimate for 2012-13. This is mainly due to the anticipated greater number of officers to be posted to various overseas Economic and Trade Offices and to return to Hong Kong at the end of postings in 2013-14 than 2012-13.

Name in block letters: ANDREW HY WONG

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

Date: 26.3.2013

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

**CEDB(CIT)237**

Question Serial No.

5384

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:

Regarding the management of the Hong Kong Wetland Park (the Park), please provide the following information:

- (a) Please set out the expenditure involved in the management of the Park in each of the past five years (2008-09, 2009-10, 2010-11, 2011-12, 2012-13).
- (b) Please list in the table below the respective numbers of local visitors, Mainland visitors and overseas visitors to the Park over the past five years (i.e. 2008, 2009, 2010, 2011 and 2012).

Year	Number of visitors		
	Local visitors	Mainland visitors	Overseas visitors
2008			
2009			
2010			
2011			
2012			

Asked by: Hon. WONG Kwok-hing

Reply:

- (a) The expenditure involved in the management of the Hong Kong Wetland Park in the past five financial years is as follows:

Financial Year	Expenditure (\$ million)
2008-09	43.4
2009-10	49.8
2010-11	44.0
2011-12	45.5
2012-13	48.1

- (b) The number of visitors from local, Mainland and overseas recorded by the Hong Kong Wetland Park over the past five years are as follows:

Year	Number of visitors		
	Local	Mainland	Overseas
2008	364 959	36 571	33 552
2009	395 362	35 031	16 205
2010	391 941	38 514	12 998
2011	427 634	30 185	13 928
2012	408 115	24 714	12 102

Name in block letters: Alan WONG

Post Title: Director of Agriculture, Fisheries and Conservation

Date: 27 March 2013

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

**CEDB(CIT)238**

Question Serial No.

2194

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:

In the financial year of 2013-14, how many resources and funding will be allocated to the development of nature based tourism and ecotourism? What specific measures will be adopted to achieve better results? Besides, how would the publicity and education of the Geopark and the Wetland Park be strengthened to tie in with the promotion of green tourism by the Hong Kong Tourism Board?

Asked by: Hon. YIU Si-wing

Reply:

In 2013-14, the Agriculture, Fisheries and Conservation Department (AFCD) has earmarked \$22 million for the development of nature based tourism and ecotourism.

To further promote the Hong Kong Global Geopark as a destination for nature-based tourism, AFCD will carry out a variety of publicity activities including (a) production of multi-platform promotion materials including electronic books; (b) collaboration with non-governmental organisations (NGOs) and private sectors in setting up new education and visitor centres; (c) up-skilling of the geopark guides through the Accredited Geopark Guide System in conjunction with NGOs; (d) upgrading of tour operators and fishermen interested in geo-tours; and (e) overseas promotion through the international platform of the Global Geoparks Network and in collaboration with the Hong Kong Tourism Board (HKTB).

As regards the Hong Kong Wetland Park (HKWP), AFCD will strengthen its promotion efforts through (a) distribution of promotion leaflets at various spots for tourists, such as the airport, cross-border ports, hostels and museums; (b) advertising in hotels through in-room televisions, tourist maps and magazines; (c) advertising on television, newspapers, magazines, social/online media, MTR stations/trains, bus bodies and other outdoor channels; and (d) from time to time, organising different thematic campaigns on selected wetland animals and plants to attract tourists, particularly nature-lovers and photography-lovers.

To tie in with the promotion of green tourism by the HKTB, the HKWP will join the HKTB in participating in overseas trade and consumer shows. In addition, the HKWP will collaborate with the Travel Industry Council of Hong Kong to keep trade partners updated on the latest developments of the HKWP, such as new thematic campaigns and facilities that would attract or facilitate tour operators in organising visits to it.

Name in block letters: Alan WONG

Post Title: Director of Agriculture, Fisheries and Conservation

Date: 27 March 2013

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

**CEDB(CIT)239**

Question Serial No.

4571

Head: 26 Census and Statistics Department

Subhead (No. & title):

Programme: (1) Trade Statistics

Controlling Officer: Commissioner for Census and Statistics

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise the Committee: what are the manpower and estimated expenditure involved in the compilation of import/export/re-export cargo and container statistics in 2012-13? Since there are time gaps between the release of statistics and the reference period, will the Department consider increasing resources to speed up the data collection and compilation in order for the public to track the latest market situation. If yes, what are the details? If no, what are the reasons?

Asked by: Hon. YICK Chi-ming, Frankie

Reply:

The manpower resources required for the compilation of imports/exports/re-exports cargo and container statistics in 2012-13 were 270 non-directorate staff, as follows: 4 Statistician grade staff; 16 Statistical Officer grade staff; 16 Statistics Supervisor grade staff; 234 Clerical grade staff. The estimated expenditure was about \$62.9 million.

At present, monthly trade and container statistics are released 4 weeks after the reference period. The time lag is generally comparable to that of other advanced economies, in full compliance with the timeliness requirement of the "Special Data Dissemination Standards" promulgated by the International Monetary Fund for the public to track the latest market situation.

The time lag is mainly due to the statutory requirement under the *Import and Export (Registration) Regulations*. For the convenience of traders, they may lodge declarations electronically with the Customs and Excise Department within 14 days after the importation or exportation of the articles in question. Afterwards, the Census and Statistics Department (C&SD) will verify and compile the data reported to ensure that the declarations are in order. When declaration data are suspected to be erroneous, C&SD will make enquiries with the importers or exporters concerned.

Name in block letters: Mrs Lily OU-YANG

Post Title: Commissioner for Census and Statistics

Date: 28.3.2013

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

**CEDB(CIT)240**

Question Serial No.

3490

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 estimated for 2013-14 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 the Customs and Excise Department for the last 3 years (i.e. 2010-11 to 2012-13)? What was the effectiveness?

Asked by: Hon. CHEUNG Yu-yan, Tommy

Reply:

The Intellectual Property Investigation Bureau of the Customs and Excise Department (C&ED) has established a 7-member dedicated investigation team since August 2008, consisting of 1 Senior Inspector, 1 Chief Customs Officer and 5 Customs Officers to tackle counterfeit wine and trade mark infringement activities. We will maintain the existing staffing provision in 2013-14.

C&ED has also formed an alliance with the wine industry since October 2008 to strengthen co-operation in intelligence collection and the monitoring of market activities. In May 2011, a specialist team was set up under the alliance to assist enforcement against counterfeit wine. C&ED has also established a liaison network with overseas and Mainland enforcement agencies for the purpose of enhancing its capability in intercepting suspected counterfeit wine and verifying wine authenticity.



From 2010-11 to 2012-13, we received a total of 7 wine-related reports. Enforcement action was not found necessary after investigation. We will remain vigilant and continue to monitor the operation of the wine market closely.

Name in block letters: Clement CHEUNG  
Post Title: Commissioner of Customs and Excise  
Date: 27.3.2013

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

**CEDB(CIT)241**

Question Serial No.

1290

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 were the expenditure, manpower provision and number of operations involved in preventing and detecting infringing articles in 2012-13? How many of these involved online sale of infringing goods? What were the values of articles seized in the operations? How many cases were successfully prosecuted and what were the penalties? Has there been an increasing trend of copyright and trade mark infringement in recent years, especially for online sale of infringing goods? Regarding the matters requiring special attention in 2013-14, the Customs and Excise Department will continue to strengthen the co-operative alliance with the industries and enforcement agencies in detecting online sale of infringing goods. What is the amount of financial provision involved? Is it necessary to increase manpower for conducting online surveillance?

Asked by: Hon. CHUNG Kwok-pan

Reply:

In 2012-13, there were a total of 204 officers in the Customs and Excise Department (C&ED) specialized in preventing and detecting crimes of intellectual property rights infringement, involving an expenditure on salary provision of \$72 million. In 2012, the Department carried out 10 special operations every week on average. Details of the cases detected are as follows:

Number of infringement cases (involving Internet crimes)	490 cases (64 cases)
Total value of articles seized (involving Internet crimes)	\$65.97 million (\$1 million)
Number of successful prosecutions (involving Internet crimes) <sup>1</sup>	371 cases (48 cases)
Penalties imposed by the Court	Fine : \$400 – \$100,000 Community service order : 50 hours – 540 hours Imprisonment : 7 days – 16 months

<sup>1</sup> Number of successful prosecutions concluded in courts in 2012

As a result of the continuous and vigorous enforcement actions, infringing activities in the market have reduced significantly, but the sale of counterfeit goods online has become active in recent years. C&ED has set up two dedicated “Anti-Internet Piracy Teams” comprising 14 officers to tackle Internet and other computer crimes relating to the infringement of intellectual property rights. And an “Electronic Crime Investigation Centre” (the expenditure involved is \$4 million) was set up this February to improve the knowledge and skills of frontline staff, and to enhance the acceptance of digital evidence by the Court. C&ED will flexibly deploy the existing resources, maintain communication with other enforcement agencies and the industries, and co-operate with local auction sites and intellectual property owners to strengthen surveillance over commercial activities on the Internet.

Name in block letters: Clement CHEUNG  
Post Title: Commissioner of Customs and Excise  
Date: 27.3.2013

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

**CEDB(CIT)242**

Question Serial No.

0505

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 intellectual property rights investigations conducted by the Customs and Excise Department increased from 1 121 cases in 2011 to 3 244 cases in 2012. In this connection, please advise the Committee on:

1. The total number of intellectual property rights investigations conducted, cases that required follow-up investigations, the number of products and goods involved by category, as well as the average and the longest case-handling time in the past three years (i.e. 2010-2012); and
2. The measures adopted as well as a breakdown of expenditures allocated to upgrade the capability in the investigation of Internet and electronic crimes relating to infringement of intellectual property rights.

Asked by: Hon. HO Sau-lan, Cyd

Reply:

1. The figures concerning intellectual property rights investigations in the past three years are as follows:

	<b>2010</b>	<b>2011</b>	<b>2012</b>
Number of cases closed	1 660	1 121	3 244 <sup>1</sup>
Number of cases warranting further investigations	1 855	1 602	1 471

	<b>2010</b>	<b>2011</b>	<b>2012</b>
Types of cases (Breakdown on goods by category not available, but the goods involved were mostly clothes, watches and accessories)	Copyright infringement – 1 410  Trademark counterfeiting – 2 105	Copyright infringement – 1 175  Trademark counterfeiting – 1 548	Copyright infringement – 1 625  Trademark counterfeiting – 3 090
Average investigation time	8 months	9 months	8 months
Longest investigation time	30 months	26 months	38 months

2. C&ED has set up two dedicated “Anti-Internet Piracy Teams” comprising 14 officers to tackle Internet and other computer crimes relating to the infringement of intellectual property rights. The expenditure on salary provision in 2013-14 is \$4.58 million. Besides, the “Electronic Crime Investigation Centre”, established by C&ED at \$4 million, commenced operation in February 2013. There are three Customs officers under the current establishment and the salary provision involved in 2013-14 is \$1.38 million. This advanced facility can improve the knowledge and skills of frontline staff, and enhance the acceptance of digital evidence by the Court, thereby increasing our enforcement efficiency and capability.

Name in block letters: Clement CHEUNG  
Post Title: Commissioner of Customs and Excise  
Date: 27.3.2013

<sup>1</sup> In 2012, the Customs and Excise Department (C&ED) accepted the Audit Commission’s recommendation to expedite the processing of cases involving intellectual property rights but warranting no further investigation for reasons such as insufficient information or lack of evidence. This accounts for the significant increase in the figure in 2012.

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

**CEDB(CIT)243**

Question Serial No.

3231

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:

During the past 5 years (i.e. 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13), how many cases relating to online selling of infringing articles were detected by the Customs and Excise Department? What were the values and types of the articles? How many persons were involved?

Asked by: Hon. KWOK Ka-ki

Reply:

The figures for the cases of infringement on the Internet detected by the Customs and Excise Department in the past five years are as follows:

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Number of cases	31	55	63	65	64
Number of persons arrested	41	60	67	74	79
Value of goods (Breakdown by category not available, but the goods involved were mostly clothes, watches and accessories)	\$1.1 million	\$0.91 million	\$1.05 million	\$1.17 million	\$1 million

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

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

**CEDB(CIT)244**

Question Serial No.

3232

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 reasons for a significant increase in the figure of intellectual property rights investigations in 2012 when compared with 2011? What are the number of staff involved in such investigations and the amount of expenditures in 2011 and 2012 respectively?

Asked by: Hon. KWOK Ka-ki

Reply:

The significant increase in the figure follows the Custom & Excise Department's acceptance of the Audit Commission's recommendation in 2012 to expedite the processing of cases involving intellectual property rights but warranting no further investigation. In 2011-12 and 2012-13, the number of officers dedicated to investigating intellectual property rights cases and the expenditures involved are as follows:

	<b>2011-12</b>	<b>2012-13</b>
Number of dedicated officers	204	204
Expenditures involved	\$68 million	\$72 million

The increase in the expenditures was mainly due to salary adjustments.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

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

**CEDB(CIT)245**

Question Serial No.

4496

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 estimates of the Customs and Excise Department for upgrading the capability in the investigation of Internet and electronic crimes relating to infringement of intellectual property rights in 2013-2014?

Asked by: Hon. KWOK Ka-ki

Reply:

The Customs and Excise Department has set up two dedicated "Anti-Internet Piracy Teams" comprising 14 officers to tackle Internet and other computer crimes relating to the infringement of intellectual property rights. The expenditure on salary provision in 2013-2014 is \$4.58 million. Besides, we set up an "Electronic Crime Investigation Centre" this February to improve the knowledge and skills of frontline staff, and to enhance the acceptance of digital evidences by the Court. The expenditure on salary provision in 2013-2014 is \$1.38 million. The Department will continue to make use of advanced technology to enhance enforcement effectiveness.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013



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

**CEDB(CIT)246**

Question Serial No.

4497

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 number of staff involved in the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 by the Customs and Excise Department (C&ED), the Commerce and Economic Development Bureau (CEDB) and other parties concerned in 2012? What are the estimated expenditure and number of staff involved in the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 by C&ED, CEDB and other parties concerned in 2013-2014?

Asked by: Hon. KWOK Ka-ki

Reply:

The Commerce and Economic Development Bureau handles the work concerning the current Trade Descriptions Ordinance in 2012-13 and the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (the Amendment Ordinance) in 2013-14 through existing manpower. The expenditure involved has been included in the overall estimate of the Bureau and could not be quantified separately.

There were 80 enforcement officers in the Customs and Excise Department responsible for enforcing the current Trade Descriptions Ordinance in 2012-13. In 2013-14, the Department will flexibly deploy existing resources and assign 147 officers to enforce the Amendment Ordinance. The expenditure involved has been included in the overall estimate of the Department. Additional resources will be sought in accordance with the current mechanism as and when necessary.

Mainly because the role of the Consumer Council (CC) will be enhanced after the implementation of the Amendment Ordinance, the provision for the CC for 2013-14 from the Commerce and Economic Development Bureau is \$5.5 million higher than the revised estimate for 2012-13.

Name in block letters: Clement CHEUNG  
Post Title: Commissioner of Customs and Excise  
Date: 27.3.2013

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

**CEDB(CIT)247**

Question Serial No.

4498

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 estimates of the Customs and Excise Department for promoting public and traders' awareness of intellectual property rights and consumer protection legislation through publicity programmes in 2013-2014?

Asked by: Hon. KWOK Ka-ki

Reply:

The Customs and Excise Department will flexibly deploy resources to promote the awareness of intellectual property rights protection and consumer protection among the community. For intellectual property rights protection, the Department will continue its promotional and educational efforts to enhance the awareness of the public and business sector through various channels such as cooperation with the Intellectual Property Department and business associations. For consumer protection, apart from distributing publicity leaflets to the local public and visiting tourists, and disseminating messages through the mass media, the Department also encourages the public to report illegal activities in the Consumer Council's website and its monthly publication, the Choice Magazine. Moreover, talks are also organized for various trade associations and companies from time to time. Since the work is currently taken up by 7 officers in addition to their own duties, it is rather difficult to separately quantify the expenditure involved.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

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

**CEDB(CIT)248**

Question Serial No.

0123

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:

Provision under Programme 1 for 2013-14 is \$2,287,900,000, which represents an increase of 13.8% over the same provision for 2012-13. Please list out the provisions for the introduction and promotion of the "Hong Kong Authorised Economic Operator Programme" in 2012-13 and 2013-14, the performance of the Programme and the indicators for 2013-14.

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

In 2012-13, the Customs and Excise Department (C&ED) made use of existing manpower and resources to launch the "Hong Kong Authorised Economic Operator Programme". The expenditure involved has been subsumed into the 2012-13 provision. It is difficult to quantify such expenditure separately. From 2013-14, C&ED will earmark an additional amount of \$3.8 million per annum to create 4 Senior Inspector posts for 3 years to further promote the Programme.

On effectiveness of the Programme, 9 companies have been accredited, including multinational corporations as well as local enterprises of different sizes engaged in import/export, manufacturing and freight forwarding businesses. Enterprises can gain greater international recognition through the Programme. This enables credible and competent companies to enjoy benefits local and abroad such as prioritised clearance and less inspections.

On indicators for 2013-14, C&ED will make use of the additional resources to expedite the vetting of over 10 applications received, step up publicity of the Programme to the industries, and negotiate for mutual recognition arrangements with other countries and regions with a view to securing more clearance facilitation for local enterprises.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

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

**CEDB(CIT)249**

Question Serial No.

2667

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 details on the operational expenses of the recently established Electronic Crime Investigation Centre (ECIC)? Please provide details on the financial provision, staffing establishment and expected effectiveness of the ECIC. Is there any plan to increase resources to be allocated to the ECIC? If yes, what are the details?

Asked by: Hon. MOK, Charles Peter

Reply:

The Electronic Crime Investigation Centre, established by the Customs and Excise Department at a cost of \$4 million, commenced operation in February 2013. There are three Customs officers under the current establishment and the salary provision involved in 2013-14 is \$1.38 million. This advanced facility can improve the knowledge and skills of frontline staff, and enhance the acceptance of digital evidences by the Court, thereby increasing our enforcement efficiency and capability. The Department will keep a close watch on the latest development of information technology, and apply for additional resources in accordance with the existing mechanism when necessary.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

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

**CEDB(CIT)250**

Question Serial No.

2506

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 matter of “work closely with the Commerce and Economic Development Bureau and other parties to bring the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 into operation and take enforcement actions against prohibited unfair trade practices that may be deployed in consumer transactions”, please provide the following information:

- (a) What is the estimated expenditure of the Customs and Excise Department in this respect in 2013-14?
- (b) Will manpower be increased for relevant work?
- (c) What projects are included in the specific action plan?
- (d) What is the progress or timetable in 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

(a) & (b) The Customs and Excise Department (C&ED) will, in 2013-14, flexibly deploy existing resources and assign 147 officers to enforce the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (the Amendment Ordinance), and will seek additional resources in accordance with the current mechanism as and when necessary.

(c) & (d) To prepare for the commencement of the Amendment Ordinance in 2013, C&ED has conducted a public consultation on a set of draft Enforcement Guidelines and is carrying out in-depth analyses of past complaints on services received by the Consumer Council for the purpose of formulating enforcement strategy and approach. Besides, the Department will press ahead with providing training for enforcement officers and implementing publicity and education programmes on the Amendment Ordinance.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

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

**CEDB(CIT)251**

Question Serial No.

5040

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:

It is mentioned in Matters Requiring Special Attention under this Programme that the Customs and Excise Department (C&ED) will strengthen enforcement actions against false trade descriptions and mis-statements in the sale of goods. Regarding this, please provide the following information:

(a) How many related complaints has the C&ED received in total in the past 5 years (i.e. 2008-09 to 2012-13)? What are the sums involved in these complaints?

(b) How much has the C&ED spent on handling the complaints? Has the C&ED taken enforcement actions and initiated prosecutions based on the complaints?

(c) Does the C&ED have any plan to increase manpower? If yes, please give the schedule and the expenditure required.

Asked by: Hon. TANG Ka-piu

Reply:

(a) and (b) The number of complaints on false trade descriptions (covering mis-statements) is as follows:

	2009* (Mar-Dec)	2010 (Jan-Dec)	2011 (Jan-Dec)	2012 (Jan-Dec)	2013 (Jan-Feb)
Number of Complaint Cases	443	594	514	581	121
Sums Involved	\$660,000	\$3.55 million	\$6.17 million	\$2.54 million	\$410,000
Successful Prosecution	7 cases	65 cases	55 cases	77 cases	5 cases



	2009* (Mar-Dec)	2010 (Jan-Dec)	2011 (Jan-Dec)	2012 (Jan-Dec)	2013 (Jan-Feb)
Penalty Imposed by Court	\$67,000	\$1.13 million	\$600,000	\$1.49 million	\$120,000
Expenditure Involved	\$29.50 million	\$34.58 million	\$32.78 million	\$35.49 million	\$6.09 million

\*Since the Trade Descriptions Ordinance was amended in 2009, the statistics only cover March to December.

(c) The Customs and Excise Department will continue with the above enforcement work through flexible deployment of resources, and will apply for additional resources in accordance with the existing mechanism as and when necessary.

Name in block letters: Clement CHEUNG  
Post Title: Commissioner of Customs and Excise  
Date: 27.3.2013

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

**CEDB(CIT)252**

Question Serial No.

3938

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:

In the Matters Requiring Special Attention, it is mentioned that the Customs and Excise Department will widen the application of the Organised and Serious Crimes Ordinance to the investigation of intellectual property crimes. What are the details? Is there an estimated increase in enforcement manpower? If yes, what is the expenditure involved?

Asked by: Hon. WONG Kwok-kin

Reply:

Crimes of intellectual property rights infringement in recent years have become more technology-oriented and transnational, involving a whole chain of illegal activities. The syndicates backstage are usually well-organised with complicated structures. To fight against these cases, the Department has to step up deterrence and take corresponding actions by applying the Organised and Serious Crimes Ordinance as far as practicable so that the Court may impose higher penalty and issue confiscation orders for criminal proceeds. The Department merged the "Financial Investigation Group" and the "Special Task Force" to form the new "Syndicate Crimes Investigation Bureau" in January this year. No extra expenditure is incurred.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

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

**CEDB(CIT)253**

Question Serial No.

3946

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:

In the Matters Requiring Special Attention, it is mentioned that the Customs and Excise Department (C&ED) will strengthen enforcement actions against false trade descriptions and mis-statements in the sale of goods. How much additional provision and manpower is required by C&ED to implement the enforcement measures in 2012-13?

Asked by: Hon. WONG Kwok-kin

Reply:

To combat unfair trade practices involving false trade descriptions and mis-statements, the Customs and Excise Department has flexibly deployed resources to step up inspections against high-risk products and shops under repeated complaints from consumers, and would remind consumers to safeguard their rights during such inspections in order to achieve deterrent effect on the traders concerned.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

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

**CEDB(CIT)254**

Question Serial No.

1220

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:

Since the official launch of the “Hong Kong Authorised Economic Operator Programme” by the Customs and Excise Department, how many of the operators accredited are small-and-medium enterprises? What is the proportion of them in the total number of operators? How long does it take to complete the entire application procedure in average? When comparing operators that have joined the Programme with those that have not, how much time is saved in the entire clearance in average? Besides, how many manpower and financial resources are required to operate this Programme?

Asked by: Hon. WONG Ting-kwong

Reply:

In 2012-13, the Customs and Excise Department (C&ED) made use of existing manpower and resources to launch the “Hong Kong Authorised Economic Operator Programme”. The expenditure involved has been subsumed into the 2012-13 provision. It is difficult to quantify such expenditure separately. From 2013-14, C&ED will earmark an additional amount of \$3.8 million per annum to create 4 Senior Inspector posts for 3 years to further promote the Programme.

So far, 9 companies have been accredited, including multinational corporations as well as 1 local small-and-medium enterprise (SME) engaged in import/export, manufacturing and freight forwarding businesses (applications from 2 other SMEs are being processed). Enterprises can gain greater international recognition through the Programme. This enables credible and competent companies to enjoy benefits local and abroad such as prioritised clearance and less inspections.

C&ED will make use of the additional resources to expedite the vetting of over 10 applications received (an application can normally be concluded within 3 months if the information is complete). We will also step up publicity of the Programme to the industries, and negotiate for mutual recognition arrangements with other countries and regions with a view to securing more clearance facilitation for local enterprises.

Name in block letters: Clement CHEUNG  
Post Title: Commissioner of Customs and Excise  
Date: 27.3.2013

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

**CEDB(CIT)255**

Question Serial No.

2079

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:

Please give the number of companies participating in the “Hong Kong Authorised Economic Operator Programme” since the implementation of its pilot scheme in 2010. Please provide the breakdown of the companies by category (e.g. manufacturer, importer, exporter, freight forwarder, warehouse operator, carrier, etc.) and the percentage of participation in their respective categories. What are the work and the estimated expenditure involved in promoting the Programme in 2013-14?

Asked by: Hon. YICK Chi-ming, Frankie

Reply:

In 2012-13, the Customs and Excise Department (C&ED) made use of existing manpower and resources to launch the “Hong Kong Authorised Economic Operator Programme”. The expenditure involved has been subsumed into the 2012-13 provision. It is difficult to quantify such expenditure separately. From 2013-14, C&ED will earmark an additional amount of \$3.8 million per annum to create 4 Senior Inspector posts for 3 years to further promote the Programme.

So far, 9 companies have been accredited, including multinational corporations as well as local enterprises of different sizes engaged in import/export, manufacturing and freight forwarding businesses. Some are cross-discipline companies, making it difficult to categorise them according to nature of businesses. Enterprises can gain greater international recognition through the Programme. This enables credible and competent companies to enjoy benefits local and abroad such as prioritised clearance and less inspections.

In 2013-14, C&ED will make use of the additional resources to expedite the vetting of over 10 applications received, step up publicity of the Programme to the industries, and negotiate for mutual recognition arrangements with other countries and regions with a view to securing more clearance facilitation for local enterprises.

Name in block letters: Clement CHEUNG  
Post Title: Commissioner of Customs and Excise  
Date: 27.3.2013

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

**CEDB(CIT)256**

Question Serial No.

2195

Head: 33 Civil Engineering and Development Department      Subhead (No. & title):

Programme: (1) Tourism and Recreational Development

Controlling Officer: Director of Civil Engineering and Development

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Upon the completion of the improvement works to promenades of the Aberdeen Harbour and Ap Lei Chau Main Street area, will the Administration allocate resources to attract more tourists? Also, as the Administration will provide a public landing facility in the Lei Yue Mun Area, will there be any supporting transport arrangement upon the completion of works? How many more visitors are expected to be attracted to Lei Yue Mun? What is the expected percentage of tourists visiting Lei Yue Mun will switch from land to maritime transport?

Asked by: Hon. YIU Si-wing

Reply:

The Aberdeen Tourism Project will be completed from now to 2014 by phases. In line with work progress, the Hong Kong Tourism Board (HKTB) will carry out publicity to promote the local characteristics of Aberdeen. Meanwhile, the Southern District Council will also promote the tourism characteristics of the Southern district from the district level.

Currently, Lei Yue Mun (LYM) is accessible by road and by sea. Road transport is supported by the MTR and two major roads, namely LYM Road and Cha Kwo Ling Road. There are seven car parks and on-street parking spaces which provide parking spaces for car and coaches. Arrival by sea is mainly through public landing step in the vicinity of Sam Ka Tsuen ferry pier.

It takes a walk of 10 minutes after dropping-off by road or by sea transport to the seafood restaurants located in the LYM village. The proposed new landing facility will provide a more direct access to the seafood restaurants, which helps sustain and enhance the attractiveness of the LYM area as a tourist spot.



HKTB envisages that with the provision of the new landing facilities, the number of visitors would increase from the present 3 000 per month to around 6 000 per month. At this stage, HKTB is unable to assess the proportion of visitors to LYM by sea or by road.

Name in block letters: C K HON  
Post Title: Director of Civil Engineering and Development  
Date: 27 March 2013

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

**CEDB(CIT)257**

Question Serial No.

4741

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:

As there are voices that an exemption provision for parody should be made in the Copyright Ordinance, will the Administration consider setting aside resources in 2013-14 for conducting policy research and public consultation? If yes, what are the action plan and estimated expenditure? If no, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The Administration introduced the Copyright (Amendment) Bill 2011 (the Bill) into the Legislative Council (LegCo) to update our copyright law so that it would endure the test of rapid advances in technology to obviate the need to change the law every time a new communication mode emerges. Besides, the Bill would enable cooperation between copyright owners and online service providers in the fight against online infringement, facilitate new modes of uses such as e-learning. After thorough scrutiny, a LegCo Bills Committee supported the resumption of Second Reading Debate on the Bill with suitable amendments. But owing to other pressing business LegCo had to transact, the Second Reading Debate did not resume and the Bill lapsed upon expiry of the previous term of LegCo.

In view of the complexity of the legislative proposal, the Administration would continue to engage different sectors to address issues of concern, including "parody" and the related copyright issues. We will take into account fully the views of different stakeholders and ensure the continuous effectiveness of the copyright laws in the digital environment. The related work is absorbed by the existing establishment. No additional expenditure is incurred.

Name in block letters: CHEUNG KAM-FAI, PETER

Post Title: Director of Intellectual Property

Date: 28.3.2013

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

**CEDB(CIT)258**

Question Serial No.

1306

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:

Under this programme, it is mentioned in "Matters Requiring Special Attention in 2013-14" that the Intellectual Property Department will organise promotion and education activities specially for SMEs with emphasis placed on the prevention of IP infringement. Please advise this Committee of the details of the activities, as well as the expenditure and manpower required. How effective are the efforts against IP infringement in recent years? Will the Administration step up the promotional work?

Asked by: Hon. CHUNG Kwok-pan

Reply:

The Intellectual Property Department (IPD) maintains close liaison with the local business sector (including small and medium enterprises (SMEs), business associations, intellectual property (IP) intermediaries etc.) and promotes their awareness of the protection of IP rights by organising various publicity activities and providing information on the IP laws and systems in the Mainland and Hong Kong.

In 2013-14, we have earmarked about \$2.32 million for promotion and education efforts targeted at SMEs. The related work will be undertaken by our Marketing Division. The Division comprises eight staff.

In the coming year, we will continue to actively participate in major exhibitions and seminars for SMEs held in Hong Kong such as "World SME Expo", "Business of IP Asia Forum" and "Hong Kong International Licensing Show", and to co-organise promotional activities, such as seminars and workshops, with various business associations. We will give talks on IP issues, deliver publicity messages on the prevention of IP infringement and distribute related booklets on these occasions. In addition, we will organise seminars in Guangdong Province, and update information contained in "Intellectual Property Database for Guangdong, Hong Kong and Macao" and the "Mainland and Hong Kong Trademark Column" on IPD's website, to help Hong Kong SMEs operating in Guangdong Province better understand the IP system in the Mainland. We will also produce in the coming year a new Announcement of Public Interest to be broadcast on television to further promote the awareness of protecting IP rights among SMEs.

IPD has conducted six rounds of “Survey on Business Attitudes to Intellectual Property” since 2004 to evaluate the effectiveness of its promotion and education efforts that targeted at the business sector. Reference to these findings has been made when publicity strategies and activities plan were drawn up. According to the findings of the survey conducted in November 2012, nearly two-thirds of the business establishments interviewed considered the promotional activities held by IPD effective in raising the awareness of Hong Kong businesses in IP rights protection.

Name in block letters: CHEUNG KAM-FAI, PETER  
Post Title: Director of Intellectual Property  
Date: 28.3.2013

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

**CEDB(CIT)259**

Question Serial No.

3654

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 departmental records management work over the past 3 years (up to 2012):

1. Please provide information on the number and rank of officers specifically responsible for records management work. If there is no officer specifically responsible for records management work, please provide information on the number of officers, the hours of work and the areas they are involved in such work as parts of their duties.
2. Please list in the table below information on programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal:

Category of records	Years covered by the records	Number and linear metres (lm) of records	Retention period approved by GRS	Are they confidential documents

3. Please list in the table below information on programme and administrative records which have been transferred to GRS for retention:

Category of records	Years covered by the records	Number and linear metres of records	Year that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

4. Please list in the table below information on records which have been approved for destruction by GRS:

Category of records	Years covered by the records	Number and linear metres of records	Year that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

Asked by: Hon. HO Sau-lan, Cyd

Reply:

1. There is no officer specifically responsible for records management work in the Intellectual Property Department. Over the past 3 years (up to 2012), 20 officers in the department were involved in records management work as parts of their duties. Since these officers have to take care of duties other than records management work and the time and percentage share in such duties vary over different periods of time, it is difficult to quantify the hours of work involved accurately.
2. Information on programme and administrative records which have been closed pending transfer to the GRS for appraisal is shown in the table below:

Category of records	Years covered by the records	Number and linear metres (lm) of records	Retention period approved by GRS	Are they confidential documents
Nil	Nil	Nil	Nil	Nil

3. Information on programme and administrative records which have been transferred to GRS for retention is shown in the table below:

Category of records	Years covered by the records	Number and linear metres (lm) of records	Year that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
Administrative record	Nil	Nil	Nil	Nil	Nil
Programme record	1948 to 2011	44 711 files/ 413.32 lm	2010 to 2012	10 years	No

4. Information on records which have been approved for destruction by GRS is shown in the table below:

Category of records	Years covered by the records	Number and linear metres (lm) of records	Year that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
Administrative record	1995 to 2008	1 287 files/ 8.6 lm	NA	According to General Administrative Records Disposal Schedules	No
Programme record	2000 to 2001	9 063 files / 77.16 lm	2002	10 years	No

Name in block letters: CHEUNG KAM-FAI, PETER

Post Title: Director of Intellectual Property

Date: 28.3.2013

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

**CEDB(CIT)260**

Question Serial No.

0120

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:

For Programme (1), the 2013-14 estimate of \$93.6 million is 5.9% higher than the 2012-13 revised estimate. Would the Administration advise on the following:

- (1) The amount of resources to be allocated for examining patents, granting short-term patents, registering patents granted by designated Patent Offices, maintaining the register of patents and making it available for public search.
- (2) For processing patent applications under the Patents Ordinance, the 2013 targets for processing standard patent applications and short-term patent applications within 10 days are both set at 86%, which is lower than the actual figures in 2011 and 2012. Please list out the manpower and resources allocated for processing patent applications in 2011, 2012 and 2013 respectively.

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

- (1) In 2013-14, the estimated provision for the Patents Registry of the Intellectual Property Department is approximately \$8 million, which will be used on examining patent applications, granting short-term patents, registering patents granted by designated Patent Offices, maintaining the register of patents and making it available for public search.
- (2) From 2011-12 to 2013-14, the Patents Registry all along has 6 staff responsible for processing patent applications. As regards expenditure, the actual expenditure in 2011-12 was about \$7 million, and the revised estimate for 2012-13 and the estimate for 2013-14 are both about \$8 million.

In 2011 and 2012, the rate of processing standard patent applications and short-term patent applications by the Patents Registry within 10 days was higher than the planned target (i.e. 86%). However, considering that in 2013 the staff in the Patents Registry are engaged in a feasibility study on revamping the patents computer system, we have decided on a more pragmatic target for the Patents Registry in 2013, i.e. maintaining the rate at 86% for processing standard patent applications and short-term patent applications within 10 days.

Name in block letters: CHEUNG KAM-FAI, PETER

Post Title: Director of Intellectual Property

Date: 28.3.2013



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

**CEDB(CIT)261**

Question Serial No.

0121

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:

The estimated provision for Programme (2) Protection of Intellectual Property in 2013-14 is \$27.9 million, an increase of 13.4% over the original estimate for 2012-13. Would the Department advise on the following:

- (1) How will the provision be deployed to promote the understanding of the value of intellectual property trading? How many new projects are there for this year, and what are the details of the programmes concerned?
- (2) The Financial Secretary mentioned in paragraph 69 of his speech that “the Secretary for Commerce and Economic Development will lead a working group to study the overall strategy for promoting Hong Kong as a hub for intellectual property trading.” Please provide details of the financial and staffing provision for the working group concerned.

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

The estimate for 2013-14 is 13.4% higher than the original estimate for 2012-13. This is mainly due to the increase in personal emoluments and personnel related expenses.

- (1) In terms of enhancing the understanding of the value of intellectual property (IP) trading, we will continue to organise and participate in various activities such as seminars, forums and exchange programmes in collaboration with relevant government departments as well as public and private organisations in Hong Kong and the Mainland that share the same vision. In the coming year, we will continue the proactive promotional efforts, including organising a seminar on “Intellectual Property and the Development of Small and Medium Enterprises” in Qingyuan, Guangdong Province in collaboration with the Guangdong Intellectual Property Office in June to promote the concept and development of IP trading among the enterprises, and joining the “Business of IP Asia Forum” organised by the Hong Kong Trade Development Council and the Hong Kong Design Centre in December.

- (2) The Intellectual Property Department uses existing manpower and resources to support the Working Group on Intellectual Property Trading in its study. The expenditure has been subsumed into the provision for the Intellectual Property Department. It is difficult to quantify such expenditure separately.

Name in block letters: CHEUNG KAM-FAI, PETER  
Post Title: Director of Intellectual Property  
Date: 28.3.2013

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

**CEDB(CIT)262**

Question Serial No.

2278

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:

The provision for 2013-14 is \$5.2 million (5.9%) higher than the revised estimate for 2012-13. One of the reasons for this is the creation of 1 post, resulting in an increase in related expenses. What is the post being created? What is the annual total expenditure for that post?

Asked by: Hon. LIAO Cheung-kong, Martin

Reply:

The new post is a Systems Manager for strengthening the information technology support to the Department. Calculated on the basis of notional annual mid-point salary, the expenditure in terms of personal emoluments is approximately \$0.82 million per annum.

Name in block letters: CHEUNG KAM-FAI, PETER

Post Title: Director of Intellectual Property

Date: 28.3.2013

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

**CEDB(CIT)263**

Question Serial No.

2291

Head: 78 Intellectual Property Department

Subhead (No. & title):

Programme: (1) Statutory Functions and (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in the Budget Speech, the Administration will study the strategy for promoting Hong Kong as a hub for intellectual property trading. It is noted that the Department expects to increase manpower by only 6 posts. How many officers will be assigned by the Department to handle the above matter and why?

Asked by: Hon. LIAO Cheung-kong, Martin

Reply:

The Intellectual Property Department (IPD) will create 6 new posts (5 of which are for replacing existing non-civil service contract positions) in 2013-14 to meet the operational needs of the existing service areas.

IPD uses existing manpower and resources to support the Working Group on Intellectual Property Trading in its study. The expenditure has been subsumed into the provision for the Intellectual Property Department. It is difficult to quantify such expenditure separately.

Name in block letters: CHEUNG KAM-FAI, PETER

Post Title: Director of Intellectual Property

Date: 28.3.2013

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

**CEDB(CIT)264**

Question Serial No.

1443

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:

One of the tasks of the Intellectual Property Department is to assist Hong Kong small and medium enterprises operating in the Mainland in protecting and managing their intellectual property assets. In this connection, would the Administration advise this Committee of the following: In the past 3 years (i.e. 2010-11, 2011-12 and 2012-13), what major progress did the Department achieve? What are the major obstacles that remain to be removed? Did the Administration seek solutions through discussion with relevant Mainland authorities? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. LO Wai-kwok

Reply:

Over the years, Hong Kong has been maintaining close cooperation with the Mainland in protecting intellectual property (IP). To assist Hong Kong small and medium enterprises (SMEs) operating in the Mainland in better protecting and managing their IP, the Intellectual Property Department (IPD) organised and launched a number of programmes in the past 3 years. These include:

- (i) Co-organising with the State Intellectual Property Office and the Macao Economic Services the annual "Mainland, Hong Kong SAR and Macao SAR Intellectual Property Symposium". Government officials and businessmen in the three places can keep themselves abreast of the latest development in IP protection in the three places. In the past three years, symposiums were held in Macao, Hong Kong and Dalian respectively.
- (ii) Co-organising a number of "Seminars on Intellectual Property and Development of Small and Medium Enterprises" in Guangdong with IP authorities of the province to promote the awareness of IP protection systems both in Hong Kong and the Mainland among Hong Kong enterprises operating in the Mainland, and encouraging these enterprises to use IP for developing business opportunities. In the past three years, seminars were held in Guangzhou, Zhaoqing and Foshan respectively.

- (iii) Co-organised the "Intellectual Property Management and Business Opportunities Seminar" and "Seminar on Intellectual Property" with the Federation of Hong Kong Industries in September 2011 and February 2013 respectively.
- (iv) Promoting IP matters among enterprises, trade associations and the IP sector and encouraging Hong Kong-invested enterprises in Guangdong to obtain the identification as Guangdong Provincial Famous Trademarks from 2010 onwards. Related information has been uploaded onto webpages.
- (v) Continuing to disseminate information by updating and enriching the contents of the "Intellectual Property Database for Guangdong, Hong Kong and Macao" ([www.ip-prd.net](http://www.ip-prd.net)) and the "Guangdong/Hong Kong IP Cooperation Corner", "Mainland Enterprises Corner" and "Mainland/Hong Kong Trademark Column" on IPD's website ([www.ipd.gov.hk](http://www.ipd.gov.hk)), and providing the business sector (including Hong Kong SMEs operating in the Mainland) and the public with information about IP protection, relief channels in case of IP right infringement and enforcement of IP laws in the three places.

IPD will continue to communicate with the business sector to identify problems regarding IP protection encountered by Hong Kong enterprises. If necessary, IPD will relay the sector's views to relevant Mainland authorities through various channels. IPD will also organise different exchange programmes to enable the sector to express its concerns to relevant Mainland bodies. For example, in March 2013, representatives from Hong Kong's copyright industry expressed their views on the amendments to the Copyright Law of the People's Republic of China to relevant Guangdong authorities through the Copyright Exchange Programme.

Name in block letters: CHEUNG KAM-FAI, PETER  
 Post Title: Director of Intellectual Property  
 Date: 28.3.2013

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

**CEDB(CIT)265**

Question Serial No.

2678

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:

The HKSAR Government plans to set up a working group to study the overall strategy and government supporting measures for promoting Hong Kong as a hub for intellectual property trading. Does the Government have any plan to consult the relevant stakeholders and release information about the work of the working group to stakeholders and members of the public in a transparent manner? What are the channels and details involved? If there is no plan to disclose the details of the working group's work, what are the reasons? How will the Government understand the thoughts of and gather views from stakeholders?

Asked by: Hon. MOK, Charles Peter

Reply:

The Working Group on Intellectual Property (IP) Trading will study the overall strategies to promote the development of Hong Kong as an IP trading hub, and identify possible policy and other support measures to facilitate IP trading in Hong Kong. Members of the Working Group are drawn from a wide range of sectors related to IP trading. They comprise various IP creators, users and intermediaries, as well as representatives from the Government and the Hong Kong Trade Development Council. The Government plans to report the Working Group's work plan and direction to the Panel on Commerce and Industry of the Legislative Council in the first half of 2013, and consult Panel Members on their views.

Name in block letters: CHEUNG KAM-FAI, PETER

Post Title: Director of Intellectual Property

Date: 28.3.2013

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

**CEDB(CIT)266**

Question Serial No.

5016

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 stated in the Policy Address that the Government will “continue to promote protection and respect for intellectual property rights in the business sector through various channels and activities, including seminars, publication of leaflets and other reference materials”. In this connection, what are the estimated resources and total expenditure involved? What are the results and performance indicators? Apart from enterprises, especially small and medium enterprises, promotion among the public, young people and students in particular, is equally important. How will the Government reach out to them? Does the Government make an estimate of the expenditure involved? What are the details?

Asked by: Hon. MOK, Charles Peter

Reply:

The Intellectual Property Department (IPD) maintains close liaison with the local business sector (including small and medium enterprises (SMEs), business associations and intellectual property (IP) intermediaries) and promotes their awareness of the protection of IP rights by organising various publicity activities and providing information on the IP laws and systems. In 2013-14, IPD has earmarked about \$2.32 million for promotion and education efforts targeted at SMEs.

IPD has conducted six rounds of “Survey on Business Attitudes to Intellectual Property” since 2004 to evaluate the effectiveness of its promotion and education efforts that targeted at the business sector. Reference to these findings has been made when publicity strategies and activities plan are drawn up. According to the findings of the survey conducted in November 2012, nearly two-thirds of the business establishments interviewed considered the promotional activities held by IPD effective in raising the awareness of Hong Kong businesses in IP rights protection.

IPD will continue to promote the respect for IP rights in the community, especially among young people and students, through territory-wide campaigns such as “No Fakes Pledge” Scheme and “I Pledge” Campaign, seminars, announcements of public interest on television, exhibitions, etc. In 2013-14, IPD has earmarked about \$1.6 million for publicity and education work targeted at young people and students. This includes the following activities:



- school talks and activities and competitions in collaboration with other organisations to be held throughout the year;
- participation in the “Hong Kong Book Fair” and the “Hong Kong Computer and Communications Festival” in July and August of 2013;
- “I Pledge” Live Band Show to be organised in the second half of 2013; and
- interactive drama programmes in primary and secondary schools and seminars in tertiary institutions to be held in the second half of 2013.

Name in block letters: CHEUNG KAM-FAI, PETER  
Post Title: Director of Intellectual Property  
Date: 28.3.2013

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

**CEDB(CIT)267**

Question Serial No.

1637

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:

In the past 10 years, i.e. from 2003-04 to 2012-13, what is the total trade value of intellectual property trading as a percentage of the Gross Domestic Product (GDP)? What are the number of transactions and trade value involved in each type of intellectual property trading? As far as the Government knows, what are the strengths and weaknesses of Hong Kong if it is to be developed into a hub for intellectual property trading? What financial resources and manpower will the Government allocate to support the working group led by the Secretary for Commerce and Economic Development to study the promotion of Hong Kong into a hub for intellectual property trading?

Asked by: Hon. QUAT, Elizabeth

Reply:

Intellectual property (IP) include patents, copyright works, industrial designs, trademarks, semi-conductor layout-designs, trade secrets, etc. IP trading broadly refers to the trading of the above IP rights, and may take different forms of trading such as licensing, acquisition and franchising. As such, the Government does not have a unified statistic for IP trading. As an example for reference, according to the figures of the Census and Statistics Department, the exports and imports of services<sup>1</sup> classified as charges for the use of IP<sup>2</sup> by service component in 2009-11 are as follows:

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<sup>1</sup> Exports and imports of services refer to transactions between the residents (individuals and organisations) of an economy and the residents of another economy.

<sup>2</sup> Charges for the use of IP include franchises and trademarks licensing fees, and charges for the use of other IP rights.

Exports of services			Imports of services		
Year	HK\$ million	As a % of all services	Year	HK\$ million	As a % of all services
2009	2,972	0.6	2009	13,176	2.8
2010	3,110	0.5	2010	15,367	2.8
2011	3,575	0.5	2011	15,640	2.7

As a metropolis and international financial centre with Mainland China as the hinterland, Hong Kong casts herself as the business, trading and services hub for the Mainland and the region as a whole, and functions as a springboard for foreign investors seeking to tap the Mainland market. In addition, Hong Kong has a long tradition of upholding the rule of law, a sound IP rights protection system, a simple and low tax regime, as well as a pool of bi-literate and tri-lingual professionals who are specialised in finance, law and research and development (R&D) with Mainland and international perspectives. All these are our advantages for developing IP trading. Given also Hong Kong's experience in areas such as R&D, design, trading and business services in support of industrial production, Hong Kong has the potential to develop into a regional IP trading hub. The Secretary for Commerce and Economic Development is leading a Working Group on Intellectual Property Trading to study the overall strategies to promote the development of Hong Kong as an IP trading hub, and identify possible policy and other support measures to facilitate IP trading in Hong Kong.

The Intellectual Property Department (IPD) uses existing manpower and resources to support the Working Group on Intellectual Property Trading in its study. The expenditure has been subsumed into the provision for the IPD. It is difficult to quantify such expenditure separately.

Name in block letters: CHEUNG KAM-FAI, PETER  
Post Title: Director of Intellectual Property  
Date: 28.3.2013

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

**CEDB(CIT)268**

Question Serial No.

1646

Head: 78 Intellectual Property Department

Subhead (No. & title):

Programme: (1) Statutory Functions and (2) Protection of Intellectual Property

Controlling Officer: Director of Intellectual Property

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Budget Speech that “the Secretary for Commerce and Economic Development will lead a working group to study the overall strategy for promoting Hong Kong as a hub for intellectual property trading.”

- (a) Please provide a breakdown of the numbers of patent applications received and patents granted by the Department in the past 3 years (from 2010-11 to 2012-13).
- (b) There is a lack of personnel for processing and granting patent applications. Does the Administration have any plan to strengthen personnel and technical training for the future development of patent industry in Hong Kong? If so, what are the details?
- (c) The development of intellectual property trading requires expertise in various fields. In view of the present personnel development in Hong Kong, what areas will have the greatest need for enhanced personnel training?

Asked by: Hon. QUAT, Elizabeth

Reply:

- (a) The numbers of patent applications received and patents granted by the Patents Registry of the Intellectual Property Department in 2010-11, 2011-12 and 2012-13 are as follows:

Financial Year	2010-11	2011-12	2012-13 (up to 28 Feb 2013)
applications for standard patent received	11 643	13 437	12 385
applications for short-term patent received	646	582	606
standard patents granted	5 260	4 902	5 182
short-term patents granted	527	537	465

- (b) The Government announced in February 2013 the way forward for the development of the patent system in Hong Kong, including the establishment of an “original grant” patent (OGP) system, and that a full-fledged regulatory regime on patent agency services should be set as the ultimate goal in the long run, which has to be achieved in stages, with possible transitional measures, as a complementary component of the OGP system. The above policies will help nurture and attract talents, and promote the development of the patent agency profession.
- (c) The development of intellectual property (IP) trading requires the engagement of various professionals specialising in different fields of IP intermediary services, including law, valuation, finance, taxation, insurance, etc. The Working Group on IP Trading led by the Secretary for Commerce and Economic Development was set up in March to study the overall strategies to promote the development of Hong Kong as an IP trading hub, and identify possible policy and other support measures to facilitate IP trading in Hong Kong.

Name in block letters: CHEUNG KAM-FAI, PETER  
Post Title: Director of Intellectual Property  
Date: 28.3.2013

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

**CEDB(CIT)269**

Question Serial No.

1572

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:

Regarding “strengthening co-operation with the Guangdong Province and the Pearl River Delta region so as to assist Hong Kong small and medium enterprises operating in the Mainland in protecting and managing their intellectual property assets”, please advise of the following:

- (a) What is the 2013-14 estimated expenditure to be borne by the Department in this area?
- (b) What are the number and rank of the officials responsible?
- (c) What will the specific work include?
- (d) What will be the progress or action timetable for 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) In 2013-14, the Intellectual Property Department (IPD) has earmarked about \$150,000 to support the work of strengthening cooperation with Guangdong Province and the Pearl River Delta (PRD) region to assist Hong Kong small and medium enterprises (SMEs) operating in the Mainland in protecting and managing their intellectual property (IP) assets.
- (b) The related work is supported by 1 Senior Manager and 1 Assistant Manager of our Marketing Division. Subject to the operational need, IPD will deploy other staff of the Division to assist them in undertaking the work.
- (c) We will continue to organise seminars, exchange programmes etc. to promote the concept of intellectual asset management, help SMEs understand the importance of protecting their IP rights and raise their awareness of innovation and IP management, particularly on the kind of IP solutions that they seek and the kind of IP that might be available for sale in the target market.

In addition, IPD will continue to co-organise various activities with the Mainland authorities (especially those in Guangdong Province and PRD region) responsible for IP protection, and to update and enrich the content of the “Intellectual Property Database for Guangdong, Hong Kong and Macao” ([www.ip-prd.net](http://www.ip-prd.net)), as well as the “Guangdong/Hong Kong IP Cooperation Corner”, the “Mainland Enterprises Corner” and the “Mainland/Hong Kong Trademark

Column” on IPD’s website (www.ipd.gov.hk), with a view to providing the business sector (including Hong Kong SMEs operating in the Mainland) and the public with information about IP protection, relief channels in case of IP right infringement and enforcement of IP laws in the three places.

- (d) In 2013-14, IPD will organise activities including the following :
- an exchange programme for enterprises of the copyright industries in Guangdong and Hong Kong to be held in Hong Kong in April 2013;
  - the “Seminar on Intellectual Property and the Development of Small and Medium Enterprises” to be held in Qingyuan, Guangdong in June 2013; and
  - the “Mainland, Hong Kong SAR and Macao SAR Intellectual Property Symposium” in collaboration with the State Intellectual Property Office and the Macao Economic Services to be held in Macao in July 2013.

Name in block letters: CHEUNG KAM-FAI, PETER  
Post Title: Director of Intellectual Property  
Date: 28.3.2013

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

**CEDB(CIT)270**

Question Serial No.

1573

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:

Regarding “strengthen the out-reach effort to young people on IP protection through school visits and promotion activities”, please advise of the following:

- (a) What is the 2013-14 estimated expenditure to be borne by the Department in this area?
- (b) What are the number and rank of the officials responsible?
- (c) What will the specific work include?
- (d) What will be the progress or action timetable for 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) In 2013-14, the Intellectual Property Department (IPD) has earmarked about \$1.2 million to support the work for publicity and education programmes targeted at young people.
- (b) The related work is supported by 1 Senior Manager and 1 Assistant Manager of our Marketing Division. Subject to the operational need, IPD will deploy other staff of the Division to assist them in undertaking the work.
- (c) We will continue to promote the awareness of IP rights protection among young people through school talks, interactive drama programmes, seminars in tertiary institutions, exhibitions, web-based interactive teaching materials as well as activities and competitions co-organised with other organisations.



(d) In 2013-14, we will arrange the following activities taking into account the timetables of schools:

- School talks, activities and competitions in collaboration with other organisations, scheduled throughout the year; and
- Interactive drama programmes and seminars in tertiary institutions, etc, scheduled for the second half of 2013.

Name in block letters: CHEUNG KAM-FAI, PETER

Post Title: Director of Intellectual Property

Date: 28.3.2013

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

**CEDB(CIT)271**

Question Serial No.

1574

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:

Regarding “organise promotion and education activities specially for SMEs with emphasis placed on the prevention of IP infringement”, please advise of the following:

- (a) What is the 2013-14 estimated expenditure to be borne by the Department in this area?
- (b) What are the number and rank of the officials responsible?
- (c) What will the specific work include?
- (d) What will be the progress or action timetable for 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) In 2013-14, the Intellectual Property Department (IPD) has earmarked about \$2.32 million for promotion and education efforts targeted at SMEs.
- (b) The related work is supported by the Head, 1 Senior Manager, 1 Assistant Manager and 1 Marketing Coordinator of our Marketing Division. Subject to the operational need, IPD will deploy other staff of the Division to assist them in undertaking the work.
- (c) In the coming year, we will continue to actively participate in major exhibitions and seminars for small and medium enterprises (SMEs) held in Hong Kong such as “World SME Expo”, “Business of IP Asia Forum” and “Hong Kong International Licensing Show”, and to co-organise promotional activities, such as seminars and workshops, with various business associations. We will give talks on IP issues, deliver publicity messages on the prevention of IP infringement and distribute related booklets on these occasions. In addition, we will organise seminars in Guangdong Province, and update information contained in “Intellectual Property Database for Guangdong, Hong Kong and Macao” and the “Mainland and Hong Kong Trademark Column” on IPD’s website, to help Hong Kong SMEs operating in Guangdong Province better understand the IP system in the Mainland. We will also produce in the coming year a new Announcement of Public Interest to be broadcast on television to further promote the awareness of IP rights protection among SMEs.

(d) In 2013-14, the schedule of work of IPD is as follows:

- A new TV API to be produced in the second half of 2013;
- A seminar on “Intellectual Property and the Development of Small and Medium Enterprises” to be organised in Qingyuan, Guangdong Province in June 2013; and
- The “Mainland, Hong Kong SAR and Macao SAR Intellectual Property Symposium” in collaboration with the State Intellectual Property Office and the Macao Economic Services to be held in Macao in July 2013.

Name in block letters: CHEUNG KAM-FAI, PETER

Post Title: Director of Intellectual Property

Date: 28.3.2013

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

**CEDB(CIT)272**

Question Serial No.

1575

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:

Regarding “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”, please advise of the following:

- (a) What is the 2013-14 estimated expenditure to be borne by the Department in this area?
- (b) What are the number and rank of the officials responsible?
- (c) What will the specific work include?
- (d) What will be the progress or action timetable for 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) In 2013-14, the Intellectual Property Department (IPD) has earmarked about \$130,000 to support the work of the “Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights”.
- (b) The related work is supported by 1 Senior Manager and 1 Assistant Manager of our Marketing Division. Subject to the operational need, IPD will deploy other staff of the Division to assist them in undertaking the work.
- (c) We will continue to collaborate with the Guangdong Intellectual Property (IP) authorities under the framework of the “Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights” to organise promotional and publicity programmes. These include holding thematic seminars and talks, updating and enriching the “Intellectual Property Database for Guangdong, Hong Kong and Macao” ([www.ip-prd.net](http://www.ip-prd.net)) and the “Guangdong/Hong Kong IP Cooperation Corner” on IPD’s website ([www.ipd.gov.hk](http://www.ipd.gov.hk)), and providing the business sector (including Hong Kong small and medium enterprises operating in the Mainland) and the public with information about IP protection, relief channels in case of IP right infringement and enforcement of IP laws in the three places. Hong Kong and Guangdong authorities will also jointly organise exchange programmes to facilitate networking between the local business sector and IP authorities and practitioners in the Mainland.

- (d) In 2013-14, IPD will collaborate with its Guangdong counterparts to launch a number of cooperation programmes. These include:
- an exchange programme for enterprises of the copyright industries in Guangdong and Hong Kong to be held in Hong Kong in April 2013;
  - the “Seminar on Intellectual Property and the Development of Small and Medium Enterprises” to be held in Qingyuan, Guangdong in June 2013; and
  - a “No Fakes Pledge” exchange programme to be held in Guangzhou, Guangdong in mid-2013.

Name in block letters: CHEUNG KAM-FAI, PETER  
Post Title: Director of Intellectual Property  
Date: 28.3.2013

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

**CEDB(CIT)273**

Question Serial No.

1998

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:

Regarding “disseminate information through the Internet on the IP systems in the Mainland, Hong Kong Special Administrative Region and Macao Special Administrative Region”, please advise of the following:

- (a) What is the 2013-14 estimated expenditure to be borne by the Department in this area?
- (b) What are the number and rank of the officials responsible?
- (c) What will the specific work include?
- (d) What will be the progress or action timetable for 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) In 2013-14, the Intellectual Property Department (IPD) has earmarked about \$100,000 to support the work of disseminating information through the Internet on the Intellectual Property (IP) systems in the Mainland, Hong Kong and Macao.
- (b) The related work is supported by 1 Senior Manager and 1 Assistant Manager of our Marketing Division. Subject to the operational need, IPD will deploy other staff of the Division to assist them in undertaking the work.
- (c) We will continue to update and enrich the “Intellectual Property Database for Guangdong, Hong Kong and Macao” ([www.ip-prd.net](http://www.ip-prd.net)) jointly established by the IP authorities of Guangdong, Hong Kong and Macao, as well as the “Guangdong/Hong Kong IP Cooperation Corner”, the “Mainland Enterprises Corner” and the “Mainland/Hong Kong Trademark Column” on IPD’s website ([www.ipd.gov.hk](http://www.ipd.gov.hk)), with a view to providing the business sector (including Hong Kong small and medium enterprises operating in the Mainland) and the public with information on IP protection, relief channels in case of IP right infringement and enforcement of IP laws in the three places.

- (d) IPD will continue to update and enrich the above information as necessary to enable the business sector and the public to have access to the latest IP information in a convenient and efficient manner.

Name in block letters: CHEUNG KAM-FAI, PETER

Post Title: Director of Intellectual Property

Date: 28.3.2013

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

**CEDB(CIT)274**

Question Serial No.

3441

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 details of the duty visits on investment promotion conducted by Invest Hong Kong (InvestHK) in 2012-13, including the date, destination, number of participants in the delegation, government officers in attendance, scheduled programme of the mission and expenditure on various programmes? What are the details of the duty visits to be conducted by InvestHK in 2013-14, including the date, destination, scheduled programme and estimated expenditure?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

Invest Hong Kong (InvestHK) conducts investment promotion programmes in target markets worldwide to identify and attract overseas and Mainland companies to set up or expand their business operations in Hong Kong.

Details of duty visits on investment promotion conducted by InvestHK in 2012-13 are set out below:

<b>Regions/Cities</b>	<b>Date</b>	<b>Actual Expenditure (HK\$ million)</b>	<b>Rank of Government Officers Involved</b>	<b>Number of Government Officers Involved</b>	<b>Scheduled Programme</b>
<b>North, Central &amp; South Americas</b>  Houston, Los Angeles, Miami, New York, San Francisco, Toronto, Vancouver, Caracas, Grand Cayman, Guayaquil, Mexico City, Panama City, Portland, Santiago and Sao Paulo  (a total of 6 visits)	April, August 2012 and January to March 2013	0.93	Director-General of Investment Promotion, Associate Director-General of Investment Promotion, Investor Support Officer	4	Meetings, seminars and company visits



<b>Regions/Cities</b>	<b>Date</b>	<b>Actual Expenditure (HK\$ million)</b>	<b>Rank of Government Officers Involved</b>	<b>Number of Government Officers Involved</b>	<b>Scheduled Programme</b>
<p><b>Mainland and Taiwan</b></p> <p><u>Cities on the Mainland :</u> Beijing, Changsha, Chengdu, Chongqing, Dalian, Guangzhou, Shenzhen, Foshan, Jiangmen, Zhaoqing, Zhongshan, Zhuhai, Hangzhou, Harbin, Hohhot, Kunming, Nanchang, Nanjing, Ningbo, Quanzhou, Shanghai, Suzhou, Taiyuan, Tangshan, Tianjin, Urumqi, Wuhan, Xian, Yangzhou, Yichang and Xiamen</p> <p><u>Cities in Taiwan:</u> Taipei, Taichung and Kaohsiung</p> <p>(a total of 44 visits)</p>	April to December 2012 and January to March 2013	0.64	Director-General of Investment Promotion, Associate Director-General of Investment Promotion, Chief Marketing Officer, Investor Relations Officer, Investor Support Officer, Investment Promotion Executive, Investment Promotion Assistant	27	Meetings, seminars and company visits
<p><b>Asia Pacific</b></p> <p>Bangkok, Bandar Seri Begawan, Kuala Lumpur, Manila, Mumbai, New Delhi, Pune, Osaka, Sapporo, Seoul, Singapore, Tokyo and Ulaanbaatar</p> <p>(a total of 23 visits)</p>	May to December 2012 and January to March 2013	0.48	Director-General of Investment Promotion, Associate Director-General of Investment Promotion, Investor Relations Officer, Investor Support Officer	17	Meetings, seminars and company visits

<b>Regions/Cities</b>	<b>Date</b>	<b>Actual Expenditure (HK\$ million)</b>	<b>Rank of Government Officers Involved</b>	<b>Number of Government Officers Involved</b>	<b>Scheduled Programme</b>
<b>Europe and Middle East</b> Abu Dhabi, Amsterdam, Antwerp, Berlin, Bordeaux, Bratislava, Cambridge, Cologne, Copenhagen, Doha, Dubai, Geneva, Hamburg, Helsinki, Istanbul, Kuwait City, London, Lugano, Lyon, Madrid, Malta, Milan, Moscow, Paris, Rioja, Riyadh, Rome, Stockholm, Tel Aviv, Vienna and Zurich (a total of 20 visits)	April to November 2012 and January to March 2013	2.55	Director-General of Investment Promotion, Associate Director-General of Investment Promotion, Chief Marketing Officer, Investor Relations Officer, Investor Support Officer	15	Meetings, seminars and company visits

InvestHK has mapped out a plan for duty visits on investment promotion in 2013-14 with details as set out below:

<b>Regions/Countries/Cities</b>	<b>Date</b>	<b>Estimated Expenditure (HK\$ million)</b>	<b>Scheduled Programme</b>
<b>North, Central &amp; South Americas</b> USA, Canada, Brazil, Peru, Chile (a total of 6 visits)	May, June, August, September, October 2013 and January 2014	0.95	Meetings, seminars and company visits

<b>Regions/Countries/Cities</b>	<b>Date</b>	<b>Estimated Expenditure (HK\$ million)</b>	<b>Scheduled Programme</b>
<p><b>Mainland and Taiwan</b></p> <p><u>Cities on the Mainland :</u> Beijing, Tianjin, Shanghai, Chongqing, Zhengzhou, Xiamen, Hefei, Wuxi, Xian, Nanning, Haikou, Hangzhou, Harbin, Changchun, Chengdu, Guangzhou, Shenzhen, Guiyang, Changsha and Nanjing</p> <p><u>Cities in Taiwan :</u> Taipei, Taichung, Kaohsiung</p> <p>(a total of 30 visits)</p>	April 2013 to January 2014	0.48	Meetings, seminars and company visits
<p><b>Asia Pacific</b></p> <p>Thailand, Singapore, Malaysia, Japan, India, Australia and New Zealand</p> <p>(a total of 8 visits)</p>	April, May, August, September, October 2013 and January 2014	0.38	Meetings, seminars and company visits
<p><b>Europe and Middle East</b></p> <p>UK, Belgium, Netherlands, France, Germany, Austria, Spain, Italy, Luxemburg, Switzerland, Turkey, Russia, Kazakhstan, Dubai and Israel</p> <p>(a total of 11 visits)</p>	April, May, September, October and November 2013	1.17	Meetings, seminars and company visits

Name in block letters: SIMON GALPIN

Post Title: Director-General of Investment Promotion

Date: 26.3.2013

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

**CEDB(CIT)275**

Question Serial No.

3442

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:

In what proportion will resources for market promotion be allocated by Invest Hong Kong (InvestHK) among different parts of the world in 2013-14? In view of the steady economic development in a number of emerging markets, will InvestHK consider increasing the resources for promotion efforts in these markets? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

Invest Hong Kong (InvestHK) conducts investment promotion activities in target overseas, Mainland and Taiwan markets (including target emerging markets) to promote Hong Kong's business advantages and to attract and assist companies from various business sectors in setting up or expanding their operations in Hong Kong. In 2013-14, the estimated expenditures for conducting investment promotion work by InvestHK in different regions are as follows:

<b>Regions</b>	<b>Estimated Expenditure in 2013-14 (HK\$ million)</b>
North, Central and South Americas	3.4
Asia Pacific	3.5
Mainland and Taiwan	7.6
Europe and the Middle East	6.4

The above figures do not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

In 2013-14, InvestHK will strengthen its investment promotion efforts in the target emerging markets (including Southeast Asia) to attract more companies from these markets in setting up business in Hong Kong. InvestHK has strengthened its overseas representation in recent years, through the establishment of Investment Promotion Units in the Hong Kong Economic and Trade Office in Singapore in 2011 and the Hong Kong Economic, Trade and Cultural Office in Taiwan in 2012 respectively, as well as the recruitment of overseas consultants in markets such as Malaysia, South America and the Middle East.

Name in block letters: SIMON GALPIN  
Post Title: Director-General of Investment Promotion  
Date: 26.3.2013

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

**CEDB(CIT)276**

Question Serial No.

1859

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 work of Invest Hong Kong in promoting the financial services to markets outside Hong Kong in the coming year, what are the specific promotion programmes to be organised or the targets to be achieved? What is the expected additional revenue to be brought to Hong Kong? Please list the information by geographical location and tabulate the promotion programmes conducted and the effectiveness of these activities in the past three years (2010-2012).

Asked by: Hon. CHEUNG Wah-fung, Christopher

Reply:

In 2013-14, Invest Hong Kong (InvestHK) will continue to accord priority to promoting the financial services sector overseas and to showcase Hong Kong's prime position as an international financial centre and China's offshore Renminbi centre. InvestHK will strengthen its promotion efforts to identify financial services companies in target markets with the support of its global investment promotion units (IPUs) and overseas consultants in different geographical locations worldwide. InvestHK will also proactively conduct investment promotion visits in key financial markets such as London, Frankfurt, Milan, Paris, Luxembourg, Beijing, Shanghai and Seoul to meet with financial services companies and attract them to set up their business in Hong Kong. In 2013, the target of InvestHK is to complete 42 investment projects related to the financial services sector, supporting the companies concerned to set up or expand their business in Hong Kong. These projects will help generate foreign direct investment, create new jobs and bring in talents and knowhow which will be beneficial to the development of the local economy.

From 2010 to 2012, InvestHK conducted over 1 100 meetings and visits in target markets to reach out to various companies in the financial services sector. The promotion programmes conducted by InvestHK outside Hong Kong are tabulated below:

<b>Year</b>	<b>Promotion Programme</b>	<b>Location/Market</b>
2010	Financial services conference to promote Hong Kong as China's global financial centre	London

<b>Year</b>	<b>Promotion Programme</b>	<b>Location/Market</b>
2011	Financial services conferences to promote Hong Kong as China's global financial centre	New York
	Financial services conferences to promote Hong Kong as an asset management hub	Edinburgh, Scotland
	Financial services seminars and business luncheons to promote Hong Kong as China's global financial centre	Zurich, Geneva, Luxembourg
2012	Financial services seminars and conference to promote Hong Kong as China's global financial centre	Los Angeles, Chicago, New York
	Financial services business luncheons to promote Hong Kong as China's global financial centre	Geneva, Lugano, Zurich

The promotion programmes above have attracted over 1 600 attendees including senior executives and professionals from the financial services sector and the business sector.

In addition, InvestHK completed a total of 109 investment projects related to the financial services sector from 2010 to 2012, assisting companies in the sector from different markets to establish or expand their business operations in Hong Kong. These projects created 877 new jobs within the first year of operation or expansion of the companies concerned.

Name in block letters: SIMON GALPIN  
Post Title: Director-General of Investment Promotion  
Date: 26.3.2013

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

**CEDB(CIT)277**

Question Serial No.

1280

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 stated under Matters Requiring Special Attention in 2013-14 that Invest Hong Kong (InvestHK) will, inter alia, continue to focus investment promotion efforts on the priority sectors, with an emphasis on the financial services, education services and creative industries sectors. What are the specific measures and the expenditures involved? Please provide the figures in respect of the key priority sectors. As the Chief Executive has announced in his Policy Address that we must deepen and expand our industries, how will InvestHK support this in its promotion efforts? Will it, for example, allocate more resources to its investment promotion efforts for the innovation and technology industry as well as the testing and certification industry?

Asked by: Hon. CHUNG Kwok-pan

Reply:

In 2013-14, InvestHK will continue to accord priority to promoting sectors where Hong Kong has competitive edge, including financial services, creative industries, etc.. InvestHK will conduct investment promotion visits in target markets such as Europe, Mainland, Singapore, Korea and Taiwan to attract and assist companies in these priority sectors to set up or expand their business in Hong Kong. Further, InvestHK will organise sector-focused receptions and sponsor major local and overseas events, with a view to raising Hong Kong's profile and promoting the business opportunities in the priority sectors. The estimated expenditure for organising and sponsoring the related events is around \$ 1.5 million. The figure does not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

InvestHK prioritises its investment promotion work to support Government policy objectives. As regards the innovation and technology sector, to showcase Hong Kong as an innovation and technology hub and attract research and development (R&D) functions, InvestHK will continue to partner with the Hong Kong Science and Technology Parks Corporation, Cyberport, Innovation and Technology Commission and relevant organisations to promote Hong Kong's business advantages and its strengths in R&D functions for overseas and Mainland technology companies. In 2013-14, InvestHK will focus its promotion work on the biotechnology sector, conducting investment promotion visits and organising seminars in the Mainland and Taiwan markets. InvestHK will



also organise investment promotion activities in target overseas and Mainland markets with the support of its representatives in 27 locations worldwide, including 14 Investment Promotion Units (IPUs) based in the Hong Kong Economic and Trade Offices, the Hong Kong Economic, Trade and Cultural Office in Taiwan and the Beijing Office as well as 13 overseas consultants in locations not covered by IPUs, with the objective of encouraging target companies in these markets to tap the business opportunities in these priority sectors by setting up offices or expanding their business operations in Hong Kong.

Name in block letters: SIMON GALPIN  
Post Title: Director-General of Investment Promotion  
Date: 26.3.2013

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

**CEDB(CIT)278**

Question Serial No.

2331

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 provision earmarked for "Investment Promotion" of Invest Hong Kong (InvestHK) has been on the rise in recent years. Please advise the Committee on the following:

- a. What are the target countries in which investment promotion has been conducted in the past 3 years and will be conducted in the coming year using the provision earmarked for "Investment Promotion"? What are the respective expenditures involved? Please reply by using the tables below.

2010-11	
Target country/ region	Expenditure on investment promotion

2011-12	
Target country/ region	Expenditure on investment promotion

2012-13	
Target country/ region	Expenditure on investment promotion

2013-14 (Estimated)	
Target country/ region	Expenditure on investment promotion

- b. Has InvestHK used the provision to engage consultants to conduct investment promotion activities? If yes, what are the expenditures involved? Please reply by using the tables below.

2011-12		
Name of consultant	Title of research project	Project expenditure

2012-13		
Name of consultant	Title of research project	Project expenditure

2013-14 (Estimated)		
Name of consultant	Title of research project	Project expenditure

Asked by: Hon. FAN Kwok-wai, Gary

Reply:

- (a) Invest Hong Kong (InvestHK) conducts investment promotion activities in target overseas, Mainland and Taiwan markets to promote Hong Kong's business advantages and to attract and assist companies from various business sectors in setting up or expanding their operations here. The expenditures incurred by InvestHK for conducting investment promotion work in different regions are as follows:

2010-11	
Target country/ region	Expenditure on investment promotion (HK\$ million)
North, Central and South Americas	2.3
Asia Pacific	4.1
Mainland and Taiwan	5.2
Europe and Middle East	5.5

2011-12	
Target country/ region	Expenditure on investment promotion (HK\$ million)
North, Central and South Americas	3.2
Asia Pacific	3.3
Mainland and Taiwan	5.3
Europe and Middle East	5.9

2012-13	
Target country/ region	Expenditure on investment promotion (HK\$ million)
North, Central and South Americas	3.2
Asia Pacific	3.5
Mainland and Taiwan	6.6
Europe and Middle East	5.4

<b>2013-14</b>	
<b>Target country/ region</b>	<b>Estimated expenditure on investment promotion (HK\$ million)</b>
North, Central and South Americas	3.4
Asia Pacific	3.5
Mainland and Taiwan	7.6
Europe and Middle East	6.4

The above figures do not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

- (b) In 2011-12 and 2012-13, InvestHK did not engage any consultancy firms to carry out research projects. In 2013-14, InvestHK plans to engage consultancy firms to conduct two research projects. The first project, to be conducted jointly with Create Hong Kong, will be on a benchmarking study to better understand the digital marketing and advertising industries in Hong Kong. The second project will be a research into the latest economic development of the Greater Pearl River Delta region. The details of engaging consultancy firms to carry out research projects are as follows:

<b>Name of consultant</b>	<b>Title of research project</b>	<b>Estimated project expenditure (HK\$ million)</b>
The proposal to engage consultancy firms to carry out research projects is still at the planning stage	Research project on digital marketing and advertising industries	1.0
	Research project on the latest economic development of the Greater Pearl River Delta region	1.0

Name in block letters: SIMON GALPIN

Post Title: Director-General of Investment Promotion

Date: 26.3.2013

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

**CEDB(CIT)279**

Question Serial No.

3655

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 departmental records management work over the past three years (to 2012):

1. Please provide information on the number and rank of officers designated to perform such work. If there is no officer designated for such work, please provide information on the number of officers and the hours of work involved in records management duties, and the other duties they have to undertake in addition to records management;

2. Please list in the table below information on programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal:

Category of records	Years covered by the records	Number and linear metres of records	Retention period approved by GRS	Are they confidential documents

3. Please list in the table below information on programme and administrative records which have been transferred to GRS for retention:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

4. Please list in the table below information on records which have been approved for destruction by GRS:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

Asked by: Hon. HO Sau-lan, Cyd

Reply:

1. Invest Hong Kong (InvestHK) has already appointed a Senior Executive Officer to take up the role of Departmental Records Manager. Assisted by one Assistant Departmental Records Manager, the Departmental Records Manager implements and monitors record management matters. Since these officers have to take care of duties other than records management work and the time and percentage share in such duties vary over different periods of time, it is difficult to quantify the hours of work involved accurately.
2. Information on programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal in the past three years (i.e. 2010 to 2012):

<b>Category of records</b>	<b>Years covered by the records</b>	<b>Number and linear metres (lm) of records</b>	<b>Retention period approved by GRS</b>	<b>Are they confidential documents</b>
Administrative Records	2005 to 2011	1 file/ 0.014 lm	According to General Administrative Records Disposal Schedules (GARDS)	No
Programme Records	2000 to 2012	72 files/ 1 lm	5 years	No

3. InvestHK has not transferred any programme or administrative records to GRS for retention in the past three years.
4. There are no records of InvestHK which have been approved for destruction by GRS in the past three years.

Name in block letters: SIMON GALPIN  
Post Title: Director-General of Investment Promotion  
Date: 26.3.2013

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

**CEDB(CIT)280**

Question Serial No.

1104

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:

Does Invest Hong Kong have any major investment promotion programme for 2013-14? Will additional resources be allocated to enhance the competitiveness of Hong Kong?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

To raise the awareness and profile of Hong Kong in the overseas and Mainland markets, Invest Hong Kong (InvestHK) will continue to organise events, such as receptions for major overseas and Mainland business communities as well as sector-focused receptions. InvestHK will also sponsor or participate in major events that take place in Hong Kong and in key overseas markets, such as Asia Hedge Forum, Art Basel, Digital and Music Matters, Private Equity and Venture Capital Forum and Cable and Satellite Broadcasting Association of Asia Convention. These events provide opportunities for InvestHK to network with participants who are potential or existing investors, generate project leads and raise awareness of the advantages of investing in Hong Kong and the wide range of services which InvestHK provides to prospective investors.

Since 2002, InvestHK has been conducting a series of joint investment promotion seminars in overseas markets in collaboration with Mainland provinces and cities to promote the combined advantages offered by the economic integration of Hong Kong and the Mainland, in particular the Pearl River Delta. In 2013-14, InvestHK plans to organise five joint overseas investment promotion seminars, including one seminar partnering with Zhuhai in Florence (June), one with Zhaoqing in Taipei (September), one with Fujian province in Russia (September), one with Guangzhou in Auckland (October) and one with Guangdong province in Berlin (November).

As regards the Mainland market, InvestHK will continue to work closely with the Mainland authorities and business associations in organising investment promotion seminars targeting the fast-growing cities on the Mainland, including Zhengzhou, Wuxi, Harbin, Guangzhou, Nanning, Guiyang and Xiamen, with a view to promoting Hong Kong as an ideal platform for Mainland companies to go global.

The estimated expenditure for these promotion programmes is about \$8.4 million.

Name in block letters: SIMON GALPIN  
Post Title: Director-General of Investment Promotion  
Date: 26.3.2013



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

**CEDB(CIT)281**

Question Serial No.

0122

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 2013–14 estimates for Invest Hong Kong is \$116.9 million, representing an increase of 2.8% over the revised estimate for 2012–13. For the key performance measures, it is estimated that there will be 660 “new projects generated” in 2013, representing an increase of nearly 10% over the actual number in 2012. Please provide the number of new projects generated and the estimated number of projects completed this year which are related to countries of the Association of the Southeast Asian Nations (ASEAN), with a detailed breakdown on project description and expenditure. In addition, please explain how the investment promotion activities will help “enhance interaction between Hong Kong and ASEAN businesses” as proposed by the Financial Secretary in paragraph 33 of his Budget Speech.

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

On investment promotion, Invest Hong Kong (InvestHK) will conduct investment promotion visits and participate in international conferences in target ASEAN countries (including Singapore, Thailand, Indonesia and Malaysia) in 2013-14, with a view to attracting and assisting companies in these countries in setting up their businesses in Hong Kong. InvestHK will also organise a networking reception in Hong Kong, targeting representatives from companies, consulates and chambers of commerce from ASEAN countries, and sponsor major events to be held in target ASEAN countries, such as the ASEAN Leadership Forum to be held in Kuala Lumpur in April 2013. These programmes will help strengthen investment links between Hong Kong and the ASEAN countries, and foster closer working relations with the ASEAN business community in Hong Kong. InvestHK will also continue to enhance its investment promotion efforts in the ASEAN countries through its Investment Promotion Unit in the Singapore Economic and Trade Office as well as its overseas consultant based in Kuala Lumpur.

In 2013-14, the estimated target of InvestHK is to generate 660 new investment projects, amongst which some 22 will be related to the ASEAN countries. InvestHK also estimates that some 11 projects related to the ASEAN countries will be completed. The estimated expenditure of InvestHK for conducting investment promotion activities and related events in the ASEAN countries in 2013-14 is around \$0.84 million. This figure does not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

Name in block letters: SIMON GALPIN  
Post Title: Director-General of Investment Promotion  
Date: 26.3.2013

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

**CEDB(CIT)282**

Question Serial No.

1460

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:

Invest Hong Kong (InvestHK) states that it will continue to strengthen co-operation with organisations promoting Hong Kong overseas, on the Mainland and in Taiwan, such as the Science Park and Cyberport, and will encourage multinational companies to locate their regional or global headquarters in Hong Kong. In this connection, will the Administration advise of:

- (a) the numbers of regional or global headquarters, regional research and development (R&D) headquarters, and regional data centres established by multi-national companies in Hong Kong with the assistance of InvestHK in the past 3 years, i.e. from 2010-11 to 2012-13; and
- (b) whether the Administration will consider adopting more flexible policies and measures in response to demands from the technology sector so as to attract more overseas companies to set up their regional R&D headquarters or regional data centres in Hong Kong? If yes, what are the details; if not, the reasons for that?

Asked by: Hon. LO Wai-kyok

Reply:

In the past three years from 2010 to 2012, Invest Hong Kong (InvestHK) has completed 903 projects, supporting companies from overseas, Mainland and Taiwan to set up or expand their business operations in Hong Kong. Around 80% of the companies assisted by InvestHK are newly established in Hong Kong, seeking to make use of Hong Kong as a base to tap the business opportunities in the Asia-Pacific region as well as to perform various business functions including research and development (R&D) operations and treasury management. Amongst the completed projects, 35 projects are related to R&D operations and another three are related to data centre operations.

The Government attaches great importance to promoting the development of innovation and technology industry in Hong Kong. To support the Government's policy objectives, InvestHK will continue to work closely with the Hong Kong Science and Technology Parks Corporation, Cyberport, Innovation and Technology Commission, Office of the Government Chief Information Officer and organisations concerned to organise joint promotion activities with a view to showcasing Hong Kong's strengths as an innovation and technology hub and attracting more

overseas and Mainland companies to set up R&D operations and data centres in Hong Kong. In 2013-14, InvestHK will focus its promotion work on the biotechnology sector, conducting investment promotion visits and organising seminars in the Mainland and Taiwan markets. InvestHK will also further step up its efforts in promoting the strengths of Hong Kong in R&D functions and data centre operations through organising investment promotion activities in target overseas and Mainland markets with the support of its representatives in 27 locations worldwide, including 14 Investment Promotion Units (IPUs) based in the Hong Kong Economic and Trade Offices, the Hong Kong Economic, Trade and Cultural Office in Taiwan and the Beijing Office as well as 13 overseas consultants in locations not covered by IPUs.

Name in block letters: SIMON GALPIN  
Post Title: Director-General of Investment Promotion  
Date: 26.3.2013

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

**CEDB(CIT)283**

Question Serial No.

1576

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 task “to target strategic companies through its Investment Promotion Units in the Economic and Trade Offices, the Beijing Office and the Hong Kong Economic, Trade and Cultural Office in Taiwan as well as overseas consultants”, please advise:

- (a) What is the estimated expenditure in this regard for 2013-14?
- (b) What are the number and ranking of the officers in charge of the task?
- (c) What are the specific items of work involved?
- (d) What will be the expected progress and timetable for 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) In 2013-14, the estimated expenditure of Invest Hong Kong (InvestHK) for conducting investment promotion work overseas and in the Mainland and Taiwan markets through its Investment Promotion Units (IPUs) in the Economic and Trade Offices (ETOs), the Beijing Office and the Hong Kong Economic, Trade and Cultural Office (ETCO) in Taiwan as well as overseas consultants is around \$21 million.
- (b) InvestHK conducts investment promotion work in overseas, Mainland and Taiwan markets with the support of its global representatives in 14 IPUs. The number and rank of staff involved are as follows:

<b>Rank of staff</b>	<b>Number of staff</b>
Investor Relations Officer	12
Investor Support Officer	23
Investment Promotion Assistant	10
Total	45

The above figures include civil service posts and non-civil service contract positions. Apart from the IPUs, InvestHK also engaged 13 overseas consultants to conduct investment promotion work in locations not covered by the IPUs.

- (c) In 2013-14, InvestHK will, with the support of its network of IPUs and overseas consultant, conduct marketing campaigns, seminars and investment promotion visits to promote Hong Kong's business advantages and to attract more companies from various markets in the world, in particular the Mainland, Taiwan and other emerging markets (including Southeast Asia) to set up or expand their business operations in Hong Kong. For the Mainland market, InvestHK will continue to organise investment promotion seminars through the Beijing Office and the IPUs in Mainland ETOs in the high-growth Mainland cities including Zhengzhou, Wuxi, Harbin, Nanning, Guangzhou, Guiyang and Xiamen, to promote Hong Kong as an ideal platform for Mainland companies to go global.

As regards the Taiwan market, InvestHK will strengthen its partnership with the Taiwan business community and organise seminars and conduct investment promotion visits in various Taiwan cities, with the support of its IPU in the ETCO in Taiwan.

For the emerging markets, InvestHK will strengthen its promotion efforts in 2013-14, with the support of the relevant ETOs and overseas consultants, through conducting investment promotion visits in target emerging markets (including Southeast Asian countries such as Singapore, Thailand, Indonesia and Malaysia, as well as other emerging markets such as India, Russia, the Middle East and South America) to attract more companies in setting up business in Hong Kong.

- (d) The target of InvestHK is to complete 330 investment projects from various markets in the world in 2013.

Name in block letters: SIMON GALPIN  
Post Title: Director-General of Investment Promotion  
Date: 26.3.2013

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

**CEDB(CIT)284**

Question Serial No.

1577

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 "investment promotion efforts in attracting multinational companies to set up their regional or global operations in Hong Kong, in particular on the Mainland, in Taiwan and other emerging markets such as Southeast Asia", please advise:

- (a) What is the estimated expenditure in this regard for 2013-14?
- (b) What are the number and ranking of the officers in charge of the efforts?
- (c) What are the specific items of work involved?
- (d) What will be the expected progress and timetable for 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) In 2013-14, the estimated expenditure of Invest Hong Kong (InvestHK) for conducting investment promotion work in various markets is around \$38 million.
- (b) The number and rank of staff involved in conducting the investment promotion work in different markets are as follows:

<b>Rank of staff</b>	<b>Number of staff</b>
Directorate	4
Chief Marketing Officer	1
Investor Relations Officer	13
Investor Support Officer	39
Investment Promotion Assistant	5
Investment Promotion Executive	2
Total	64

The above figures include civil service posts and non-civil service contract positions.

- (c) In 2013-14, InvestHK will conduct marketing campaigns, seminars and investment promotion visits to attract more companies from various markets in the world, in particular the Mainland, Taiwan and other emerging markets (including Southeast Asia) to set up or expand their business operations in Hong Kong.

For the Mainland market, InvestHK will continue to organise investment promotion seminars in the high-growth Mainland cities including Zhengzhou, Wuxi, Harbin, Nanning, Guangzhou, Guiyang and Xiamen, in collaboration with the Mainland authorities and business associations, to promote Hong Kong as an ideal platform for Mainland companies to go global.

As regards the Taiwan market, InvestHK will continue to reach out to a wide spectrum of Taiwan companies to provide them with the necessary support in setting up or expanding their operations in Hong Kong. InvestHK will strengthen its partnership with the Taiwan business community and organise seminars and conduct investment promotion visits in various Taiwan cities, with the support of its Investment Promotion Unit in the Hong Kong Economic, Trade and Cultural Office in Taiwan. InvestHK will also continue to maintain close liaison with the Taiwan business community in Hong Kong.

For the emerging markets, InvestHK will strengthen its promotion efforts in 2013-14 through conducting investment promotion visits in target emerging markets (including Southeast Asian countries such as Singapore, Thailand, Indonesia and Malaysia, as well as other emerging markets such as India, Russia, the Middle East and South America) to promote Hong Kong's business advantages and to attract more companies in setting up business in Hong Kong. InvestHK will also organise other investment promotion events, including local networking receptions, inviting the participation of representatives from companies, consulates and chambers of commerce from the target emerging markets.

- (d) The target of InvestHK is to complete 330 investment projects from various markets in the world in 2013.

Name in block letters: SIMON GALPIN  
Post Title: Director-General of Investment Promotion  
Date: 26.3.2013



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

**CEDB(CIT)285**

Question Serial No.

1997

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 efforts to “continue to focus investment promotion efforts on the priority sectors, with an emphasis on the financial services, education services and creative industries sectors”, please advise:

- (a) What is the Department’s estimated expenditure in this regard for 2013-14?
- (b) What are the number and ranking of the officers in charge of the task?
- (c) What are the specific items of work involved?
- (d) What will be the expected progress and timetable for 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) In 2013-14, the estimated expenditure of Invest Hong Kong (InvestHK) for conducting investment promotion work in attracting companies from various target sectors to set up or expand their operations in Hong Kong is around \$24 million.
- (b) The number and rank of staff involved in conducting investment promotion work in attracting companies from various target sectors to set up or expand their operations in Hong Kong are as follows :

<b>Rank of staff</b>	<b>Number of staff</b>
Directorate	4
Investor Relations Officer	8
Investor Support Officer	28
Investment Promotion Assistant	2
Total	42

The above figures include civil service posts and non-civil service contract positions.

- (c) In 2013-14, InvestHK will continue to accord priority to promoting sectors where Hong Kong has competitive edge, including financial services, creative industries, etc.. InvestHK will conduct investment promotion visits in target markets such as Europe, Mainland, Singapore, Korea and Taiwan to attract and assist companies in these priority sectors to set up or expand their business in Hong Kong. Further, InvestHK will organise sector-focused receptions and sponsor major local and overseas events, with a view to raising Hong Kong's profile and promoting the business opportunities in the priority sectors.

To showcase Hong Kong as an innovation and technology hub and attract research and development (R&D) functions, InvestHK will also accord priority to promoting the innovation and technology sector. InvestHK will continue to partner with the Hong Kong Science and Technology Parks Corporation, Cyberport, Innovation and Technology Commission and relevant organisations to promote Hong Kong's business advantages and its strengths in R&D functions for overseas and Mainland technology companies. In 2013-14, InvestHK will focus its promotion work on the biotechnology sector, conducting investment promotion visits and organising seminars in the Mainland and Taiwan markets. InvestHK will also organise investment promotion activities in target overseas and Mainland markets with the support of its representatives in 27 locations worldwide, including 14 Investment Promotion Units (IPUs) based in the Hong Kong Economic and Trade Offices, the Hong Kong Economic, Trade and Cultural Office in Taiwan and the Beijing Office as well as 13 overseas consultants in locations not covered by IPUs, with the objective of encouraging target companies in these markets to tap the business opportunities in these priority sectors by setting up offices or expanding their business operations in Hong Kong.

- (d) The target of InvestHK is to complete 330 investment projects from various markets in the world in 2013.

Name in block letters: SIMON GALPIN  
Post Title: Director-General of Investment Promotion  
Date: 26.3.2013

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

**CEDB(CIT)286**

Question Serial No.

1922

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:

In 2013-14, Invest Hong Kong will continue to focus investment promotion efforts on the priority sectors, with an emphasis on the financial services, education services and creative industries sectors. In this connection, will the Administration explain why the financial services, education services and creative industries sectors have been selected as the priority sectors for emphasis? Are there any other priority sectors? What is the provision earmarked for each of the sectors?

Asked by: Hon. TIEN Pei-chun, James

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. As Hong Kong emerges as the region's arts and creative industries hub, it is expected that there will be immense opportunities for overseas and Mainland companies in the creative industries to set up their business here. Hong Kong also provides opportunities for overseas education institutions to develop its regional base here given its growing demand for quality international education and continuing education within the community.

In 2013-14, when devising their specific work plans, Invest Hong Kong (InvestHK) will prioritise its work and make necessary adjustments to support Government policy objectives. Apart from these target sectors, InvestHK will also accord priority to promoting the business opportunities in the innovation and technology sector to overseas and Mainland technology companies, with a view to showcasing the strengths of Hong Kong in the research and development functions and as an innovation and technology hub. The estimated expenditure for the promotional events targeting these priority sectors is around \$1.5 million. The figure does not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

Name in block letters: SIMON GALPIN

Post Title: Director-General of Investment Promotion

Date: 26.3.2013

Examination of Estimates of Expenditure 2013-14

Reply Serial No.

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

**CEDB(CIT)287**

Question Serial No.

1923

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:

During 2013-14, Invest Hong Kong will further strengthen aftercare support to multinational companies already established in Hong Kong. In this connection, would the Administration give an account of the details of the aftercare support and the expenditure items involved?

Asked by: Hon. TIEN Pei-chun, James

Reply:

Provision of aftercare services is an important dimension of the work of Invest Hong Kong (InvestHK) to help retain investment in Hong Kong. In 2013-14, InvestHK will continue to further strengthen its aftercare services. In addition to conducting regular visits to multinational companies already set up in Hong Kong to better understand their service needs, InvestHK will offer facilitation services such as visa and licence 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 will also organise events targeting specific markets or sectors to provide existing overseas and Mainland companies with networking opportunities and updated market information, and to strengthen relationship with these companies. The estimated expenditure for organising these events is around \$2 million. The figure does not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

Name in block letters: SIMON GALPIN

Post Title: Director-General of Investment Promotion

Date: 26.3.2013

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

**CEDB(CIT)288**

Question Serial No.

1242

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:

In the past 3 years (i.e. 2010-11, 2011-12 and 2012-13), how many overseas enterprises were attracted by Invest Hong Kong to come here for investment? How many investment projects were generated? What was the average administrative cost of the Government in attracting overseas investment to complete a project?

Asked by: Hon. WONG Ting-kwong

Reply:

In the past three years from 2010 to 2012, Invest Hong Kong (InvestHK) has completed a total of 903 investment projects, supporting companies from overseas, Mainland and Taiwan to set up or expand their business in Hong Kong. The average annual expenditure incurred by InvestHK for conducting investment promotion activities in the past three years from 2010-11 to 2012-13 is around \$40 million. As the figure includes expenses for conducting various overseas and local promotion events as well as other general publicity and marketing activities of InvestHK, the average administrative expenses to complete an investment project cannot be separately itemised.

Name in block letters: SIMON GALPIN

Post Title: Director-General of Investment Promotion

Date: 26.3.2013

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

**CEDB(CIT)289**

Question Serial No.

1258

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:

Promoting inward investment for Hong Kong is the major work of Invest Hong Kong (InvestHK), the establishment of which, however, has remained the same. What are the reasons? Will higher effectiveness be achieved if InvestHK proactively seeks more resources for its work plan? If not, what are the reasons?

Asked by: Hon. WONG Ting-kwong

Reply:

Invest Hong Kong (InvestHK) has 35 civil service posts on its permanent establishment. The other staff, which constitute the majority of the staffing complement of InvestHK, are employed on non-civil service contract terms, with a view to enabling the department to respond flexibly to the varying need for investment promotion work in time of changes in economic circumstances. Apart from staff at its Head Office, InvestHK also conducts investment promotion work in various overseas and Mainland markets through its representatives in 27 locations worldwide, including 14 investment promotion units (IPUs) based in the Hong Kong Economic and Trade Offices (ETOs), the Hong Kong Economic, Trade and Cultural Office (ETCO) in Taiwan and the Beijing Office, as well as 13 overseas consultants in locations not covered by the IPUs.

To enhance its investment promotion efforts so as to identify and attract more companies from target markets, InvestHK has strengthened its overseas representation in recent years, through the establishment of IPUs in the Singapore ETO and the Taiwan ETCO in 2011 and 2012 respectively, as well as the recruitment of overseas consultants in markets such as Malaysia, South America and the Middle East.

Name in block letters: SIMON GALPIN

Post Title: Director-General of Investment Promotion

Date: 26.3.2013

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

**CEDB(CIT)290**

Question Serial No.

1259

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 work plans on overseas promotion does Invest Hong Kong have for this financial year? What is the resource allocation to the promotion work in Southeast Asia as well as the United States and Europe, and the reasons thereof? Moreover, what is the detailed plan on this year's joint overseas marketing activities in partnership with Pearl River Delta cities again, including the cities to work with and the specific arrangements of the activities? What were the previous results in this respect?

Asked by: Hon. WONG Ting-kwong

Reply:

In 2013-14, Invest Hong Kong (InvestHK) will continue to target and attract companies in the priority sectors to Hong Kong through its investment promotion units in overseas Hong Kong Economic and Trade Offices and its network of overseas consultants. InvestHK will also conduct investment promotion visits and organise promotion programmes in various overseas markets including the US, Europe and Southeast Asia, to promote the advantages of Hong Kong's business environment.

InvestHK allocates resources to different regions or markets based on the size of the market, and its priority of business sectors as well as the potential of companies in different markets to invest in Hong Kong. In 2013-14, the estimated expenditures for conducting investment promotion activities for the US, Europe and the Southeast Asian markets are around \$2 million, \$4.7 million and \$0.6 million respectively. The above figures do not include staff cost or general marketing and promotion expenses which cannot be separately itemised.

In 2013-14, InvestHK will continue to organise joint promotion seminars in overseas markets in collaboration with Mainland provinces and cities, in particular the Pearl River Delta Region, to promote the combined advantages offered by the economic integration of Hong Kong and the Mainland. InvestHK is in close liaison with the Mainland cities concerned on these joint overseas promotion seminars. Details of these planned activities are as follows:

<b>Time</b>	<b>Destination</b>	<b>Partner</b>
June 2013	Milan	Zhuhai
September 2013	Taipei	Zhaoqing
September 2013	Vladivostok	Fujian
October 2013	Auckland	Guangzhou
November 2013	Berlin	Guangdong

These joint promotion events have attracted over 26 900 participants, including local government representatives and senior executives from different business sectors since the launch of the joint promotion programmes in 2002. Through these programmes, InvestHK has also successfully reached out to 165 companies with the potential to set up or expand their business in Hong Kong and provided assistance to them.

Name in block letters: SIMON GALPIN  
Post Title: Director-General of Investment Promotion  
Date: 26.3.2013



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

**CEDB(CIT)291**

Question Serial No.

4868

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 data collected by individual wind station throughout the territory is of paramount importance to the Hong Kong Observatory's (HKO) decision on the issue of tropical cyclone warnings. Will HKO consider allocating resources to conduct a study in 2013-14 with a view to finding out if it is necessary to relocate some of the wind stations in use and establish new ones? If such study would be conducted, please advise on the specific work plan and estimated expenditure. If not, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

Wind speed and direction data from weather stations (including wind stations) form part of the reference information used for the issuance of Tropical Cyclone Warning Signals. The locations of weather stations take into account any impact arising from nearby barriers and topography. It is part of the Observatory's everyday work to analyse the wind data collected from weather stations, and consider whether there is a need to set up or re-locate any station.

The Observatory uses existing manpower and resources to carry out the work. The expenditure has been subsumed into the provision for the Observatory. It is difficult to quantify such expenditure separately.

Name in block letters: SHUN Chi-ming

Post Title: Director of the Hong Kong Observatory

Date: 27.3.2013

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

**CEDB(CIT)292**

Question Serial No.

4869

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:

In 2013-14, will the Hong Kong Observatory allocate resources for carrying out studies to provide the public with real-time meteorological information about locations or waters which are popular for water sports? If yes, what are the work plans and estimated expenditures? If no, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The Observatory has been providing a "Weather Information for Water Sports" webpage to serve the public.

The Observatory also provides special weather information covering popular locations for water sports. The information includes real-time temperature, humidity, wind direction, wind speed and weather photos gathered at nearby weather stations, as well as weather forecasts for the next two days. For details, please visit the webpage at <http://www.hko.gov.hk/sports/wind.htm>.

In 2013-14, the Observatory will continue to enhance the "Weather Information for Water Sports" service according to the actual need. The Observatory uses existing manpower and resources to carry out the work. The expenditure has been subsumed into the provision for the Observatory. It is difficult to quantify such expenditure separately.

Name in block letters: SHUN Chi-ming

Post Title: Director of the Hong Kong Observatory

Date: 27.3.2013

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

**CEDB(CIT)293**

Question Serial No.

4438

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 provision of weather service by the Hong Kong Observatory (HKO), would the Administration inform this Committee: what is the latest progress of developing the "heat stress index" about which I have made enquiries repeatedly; what are the expenditures involved in the projects on research and technological development in the past year (i.e. 2012-13) and the coming year (2013-14); what is the result of the latest evaluation in respect of extending the current seven-day weather forecast to a ten-day forecast for which I have requested repeatedly; and regarding the Digital Weather Forecast and the rainfall nowcast available on the HKO's webpage, what is the accuracy of these forecasting products according to evaluation?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

Our response to the questions raised by the Hon Frederick Fung is given below:

(a) Regarding the heat stress information, the Observatory collected and processed further scientific local data for the relevant studies in 2012. Since a large amount of data are involved, more time will be required for the analysis. This will also involve consultation with relevant departments and stakeholders on the analysis results and related information including the dissemination of such information. Subject to completion of the scientific studies and consultation, the Observatory will consider rolling out the information service as soon as practicable.

(b) The Observatory makes use of the existing manpower and resources to carry out most of its research and development projects, or in partnership with local and overseas academic institutions. The expenditure involved has been subsumed into the 2012-13 and 2013-14 provisions for the Observatory. It is difficult to quantify such expenditure separately.

Where appropriate, the Observatory also outsources research and development projects. The research and development projects outsourced in 2012-13 are given in Annex. The Observatory has not reserved specific funds for outsourced projects in 2013-14 or thereafter.

(c) Given the current technology, it would be difficult for the Observatory to make forecast reliably for a ten-day period. Nevertheless, the Observatory has been conducting internal trials on nine-day weather forecast since autumn 2012. Subject to the performance of the trial in spring and summer this year, the Observatory will consider launching the nine-day weather forecast.

(d) the Observatory has been evaluating the performance of its Digital Weather Forecast and rainfall “nowcast” system which are fully automated. The mean forecast error for temperature, wind speed and relative humidity of the Digital Weather Forecast are about 2 degrees, 7 kilometres per hour and 10% respectively. The accuracy of the rainfall nowcast in the coming hour is slightly above 70%, whereas the performance is lower for forecast between the first hour and second hour.

Name in block letters: SHUN Chi-ming

Post Title: Director of the Hong Kong Observatory

Date: 27.3.2013

**Research and Technical Development Projects Outsourced  
by the Hong Kong Observatory in 2012-13**

<b>Title/Subject</b>	<b>Content of work</b>	<b>Expenditure (\$)</b>
Effect of building wake on aircraft operation	To use a dynamical model of the aircraft to study the effect of building wake on aircraft operation.	93,400
Effect of topography and nearby buildings on wind direction and wind speed on meteorological stations	To study the effect of topography and nearby buildings on meteorological stations by means of field measurements, wind tunnel tests and computer simulations.	99,000
A case study on a significant windshear event encountered by an aircraft	To analyse a significant windshear event encountered by an aircraft using its flight recorder data and the Light Detection and Ranging data of the Observatory.	46,700
Enhancement of Hong Kong Observatory's nowcasting system	To operate the existing nowcasting system on a new computing platform to accelerate execution of the system.	200,000
	Total:	439,100

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

**CEDB(CIT)294**

Question Serial No.

3646

Head: 168 Hong Kong Observatory

Subhead (No. & title): ( - ) Unspecified

Programme: Unspecified

Controlling Officer: Director of the Hong Kong Observatory

Director of Bureau: Secretary for Security, Secretary for Commerce and Economic Development

Question:

Regarding the departmental records management work over the past three years (to 2012):

1. Please provide information on the number and rank of officers designated to perform such work. If there is no officer designated for such work, please provide information on the number of officers and the hours of work involved in records management duties, and the other duties they have to undertake in addition to records management;

2. Please list in the table below information on programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal:

Category of records	Years covered by the records	Number and linear metres of records	Retention period approved by GRS	Are they confidential documents

3. Please list in the table below information on programme and administrative records which have been transferred to GRS for retention:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

4. Please list in the table below information on records which have been approved for destruction by GRS:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

Asked by: Hon. HO Sau-lan, Cyd

Reply:

1. The Hong Kong Observatory has appointed a Chief Executive Officer to take up the role of Departmental Records Manager. She is assisted by an Assistant Departmental Records Manager and 10 other staff to help implement and monitor records management matters. Since these officers have to take care of duties other than records management work and the time and percentage share in such duties vary over different periods of time, it is difficult to quantify the hours of work involved accurately.

2. Information on programme and administrative records which have been closed in the past 3 years pending transfer to the Government Records Service (GRS) for appraisal:

Category of records	Years covered by the records	Number and linear metres of records	Retention period approved by GRS	Are they confidential documents
Administrative records	1971-2012	238 files / 11.9 linear metres	According to "General Administrative Records Disposal Schedule"	No
Programme records	1978-2012	355 files / 17.75 linear metres	Pending approval by GRS	No

3. HKO did not transfer any records to GRS for retention in the past 3 years.

4. GRS did not approve any HKO records for destruction in the past 3 years.

Name in block letters: SHUN Chi-ming

Post Title: Director of the Hong Kong Observatory

Date: 27.3.2013

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

**CEDB(CIT)295**

Question Serial No.

4472

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:

Please state the expenditure involved in the Community Weather Information Network in 2012-13, the objectives of promoting the Network and the specific estimates for 2013-14.

Asked by: Hon. KWOK Ka-ki

Reply:

The Community Weather Information Network (Co-WIN) is a joint public education initiative of the Hong Kong Observatory and the Hong Kong Polytechnic University. Network members share weather data through a platform on the Internet, for real-time public dissemination. Network members are responsible for establishing and maintaining the observing stations, with technical support from the Hong Kong Polytechnic University. The Observatory mainly helps to promote the Co-WIN initiative and provides professional advice. There are currently 121 members (mostly schools).

In 2013-14, the Observatory will continue to promote the Co-Win and encourage more schools and organisations to join. This helps to collect more data at the community level, provide more extensive weather information to the public and promote weather education.

The Observatory uses existing manpower and resources to carry out the work. The expenditure has been subsumed into the provision for the Observatory. It is difficult to quantify such expenditure separately.

Name in block letters: SHUN Chi-ming  
Post Title: Director of the Hong Kong Observatory  
Date: 27.3.2013



**CONTROLLING OFFICER'S REPLY TO  
SUPPLEMENTARY QUESTION**

**CEDB(CIT)296**

Question Serial No.

4473

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:

Please list the details of the Hong Kong Observatory's initiative in 2013-14 to develop the delivery of weather services through mobile and social networking platforms, and the estimated expenditure involved.

Asked by: Hon. KWOK Ka-ki

Reply:

To facilitate public access to the latest weather information anytime, anywhere, the Observatory will continue to develop service on mobile platform, namely "My Observatory", and social network platforms such as Twitter, Weibo and Youtube, etc. In 2012-13, the Observatory has enhanced the weather information by introducing "special weather tips" and double icons to indicate weather changes. It also provides location-specific rainfall forecast for the coming two hours.

In 2013-14, the Observatory will continue to provide more personalised weather services, including the promotion of the "Hong Kong Observatory Personalised Website" which customises the content of the Observatory's website for individual users.

The Observatory deploys existing manpower and resources to develop the services related to mobile and social network platforms. The expenditure has been subsumed into the provision for the Observatory. It is difficult to quantify such expenditure separately.

Name in block letters: SHUN Chi-ming

Post Title: Director of the Hong Kong Observatory

Date: 27.3.2013

Examination of Estimates of Expenditure 2013-14

Reply Serial No.

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

**CEDB(CIT)297**

Question Serial No.

4474

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:

Please state the details and the estimated expenditure for enhancing media weather services by the Hong Kong Observatory in 2013-14.

Asked by: Hon. KWOK Ka-ki

Reply:

The Hong Kong Observatory will deploy existing resources to set up a new media weather unit in 2013-14, comprising two Scientific Officers and an Experimental Officer. The unit will produce weather programmes for television and other media (such as the Internet).

The Observatory will also procure a professional graphics presentation system to enhance the quality of TV weather programmes. The estimated cost is about \$2 million.

Name in block letters: SHUN Chi-ming

Post Title: Director of the Hong Kong Observatory

Date: 27.3.2013

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

**CEDB(CIT)298**

Question Serial No.

4475

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:

Please list the activities and programmes to be conducted to celebrate the 130<sup>th</sup> anniversary of the Hong Kong Observatory and the estimated expenditure so involved.

Asked by: Hon. KWOK Ka-ki

Reply:

The programme to celebrate the 130<sup>th</sup> anniversary of the Hong Kong Observatory and the estimated expenditure are as follows:

	Items	Estimated expenditure (\$)
1	Co-operate with the Radio Television Hong Kong (RTHK) and produce a new high-definition TV documentary series on weather and climate public education (four episodes, each of one hour)	3,200,000
2	Joint exhibition - "Hong Kong Observatory - Under the Same Sky 130 Years" with the Hong Kong Museum of History from 10 July to 2 September 2013. 70 000 visitors are expected	1,000,000
3	Hong Kong Observatory Open Day and kick-off ceremony of 130 <sup>th</sup> anniversary activities	230,000
4	Co-operate with RTHK and produce a new publicity video for the Hong Kong Observatory	200,000

	Items	Estimated expenditure (\$)
5	A postal slogan for the 130 <sup>th</sup> anniversary of the Observatory for use by the Hongkong Post for local and overseas postal items from 11 to 28 March 2013	140,000
6	Publishing an essay collection "Under the Same Sky"	40,000

Name in block letters: SHUN Chi-ming  
Post Title: Director of the Hong Kong Observatory  
Date: 27.3.2013

Examination of Estimates of Expenditure 2013-14

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

Reply Serial No.

**CEDB(CIT)299**

Question Serial No.

4477

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:

Please advise on the expected number of climate change talks and the associated expenditure in 2013-14.

Asked by: Hon. KWOK Ka-ki

Reply:

In 2013-14, the Hong Kong Observatory expects to give around 40 climate change talks. The Observatory uses existing manpower and resources to carry out this task. The expenditure has been subsumed into the provision for the Observatory. It is difficult to quantify such expenditure separately.

Name in block letters: SHUN Chi-ming

Post Title: Director of the Hong Kong Observatory

Date: 27.3.2013

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

**CEDB(CIT)300**

Question Serial No.

0188

Head: 168 Hong Kong Observatory

Subhead (No. & title): 000 Operational expenses

Programme: Unspecified

Controlling Officer: Director of the Hong Kong Observatory

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the financial provision for job-related allowances under personal emoluments for 2012-13, the original estimate of \$155,000 has been revised upwards to \$420,000. What are the reasons for the increase? How much of the increased provision involves additional manpower expenditure?

Asked by: Hon. LAU Wong-fat

Reply:

The increase of \$265,000 in the 2012-13 revised estimate for job-related allowances under personal emoluments was mainly because of payment of a larger amount of typhoon allowance than expected (the allowance was payable to supporting staff, such as Clerical Officers, Motor Drivers and Office Assistants, on duty when tropical cyclone warning signal No. 8 or above was in force). In 2012-13, the Hong Kong Observatory issued tropical cyclone warning signal No. 8 or above on three occasions. This exceeded the original estimate.

Name in block letters: SHUN Chi-ming

Post Title: Director of the Hong Kong Observatory

Date: 27.3.2013

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

**CEDB(CIT)301**

Question Serial No.

5044

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:

As mentioned in the Brief Description of the Programme, further progress is made in replacing and upgrading meteorological facilities for the Hong Kong International Airport, with new systems being put into use in phases. Also, the Hong Kong Observatory is constructing a station to house a new windshear radar. Please advise:

- a. What are the locations of the new facilities? Is occupational safety considered in their design? For example, disseminating weather forecast relating to the airport to ensure air traffic safety.
- b. Regarding the new systems of meteorological facilities and the windshear radar station, what are the operating and construction costs?

Asked by: Hon. TANG Ka-piu

Reply:

- (a) The Hong Kong Observatory is replacing and upgrading the meteorological and related facilities servicing the airport. Most of these facilities are located inside the airport, while a new radar for the detection of windshear will be installed on a hilltop station near Tai Lam Kok, Tuen Mun. The projects help ensure the continuous provision of timely and reliable weather information for the aviation community. Their design has taken into account occupational safety requirements.

- (b) The capital expenditure for replacing the meteorological facilities and for construction of the new windshear radar station is about \$154 million and \$113 million respectively. The annual recurrent expenditure for operating the facilities is about \$15 million.

Name in block letters: SHUN Chi-ming  
Post Title: Director of the Hong Kong Observatory  
Date: 27.3.2013



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

**CEDB(CIT)302**

Question Serial No.

5045

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:

As mentioned in the Brief Description of the Programme, one of the key performance measures in respect of weather services is “forecasts perceived as accurate by the public (%)”. Please advise how does the Hong Kong Observatory (HKO) measure the public’s perception? Has the HKO carried out any study about “forecasts perceived as accurate or not by the public”? Are there any objective measure indicators? If yes, what is the cost of measuring the public’s perception?

Asked by: Hon. TANG Ka-piu

Reply:

The Hong Kong Observatory commissions an independent survey company to conduct two public opinion surveys every year through telephone. Respondents are asked about their perception of the accuracy of weather forecasts issued by the Observatory. The expenditure for the surveys in 2012 was around \$ 70,000.

Name in block letters: SHUN Chi-ming

Post Title: Director of the Hong Kong Observatory

Date: 27.3.2013

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

**CEDB(CIT)303**

Question Serial No.

4232

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 establishment of the China-Association of Southeast Asian Nations (ASEAN) Free Trade Area (CAFTA) may bring about changes in Hong Kong's role in trade between the two entities. It would also help Hong Kong's enterprises open new markets in Southeast Asia. In view of the above, will the Trade and Industry Department allocate resources to enhance the work in this aspect in 2013-14? If yes, what are the details? If not, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

Since the implementation of the China-Association of Southeast Asian Nations (ASEAN) Free Trade Area (CAFTA) in July 2005, trade between the Mainland China and ASEAN through Hong Kong has continued to grow. Over the past five years, the average annual growth rate of such trade was 7.2%. In 2012, trade between the Mainland China and ASEAN through Hong Kong amounted to HK\$345.9 billion, representing 10.2% of the total value of re-exports of Hong Kong.

The Government has been actively enhancing trade and investment cooperation with trading partners in Southeast Asia so as to open new markets for Hong Kong's merchandise and services and create business opportunities. In November 2011, Hong Kong submitted a request to ASEAN for joining the CAFTA with a view to enhancing regional economic integration and assisting Hong Kong businessmen and investors in further exploring the Southeast Asian markets. Moreover, we will explore with our trading partners the possibilities of forging various bilateral agreements to strengthen economic and trade ties. In February 2013, Hong Kong and Thailand signed a Cooperation Arrangement on Strengthening Trade and Economic Relations (Cooperation Arrangement) to facilitate and promote bilateral economic cooperation in many areas and thus further strengthen the economic ties between Hong Kong and Thailand. In 2013-14, we will take forward various cooperation initiatives with Thailand in accordance with the Cooperation Arrangement.

The work relating to enhancing trade and investment cooperation with trading partners in Southeast Asia is part of the overall work of commercial relations and the relevant expenditure has been subsumed under the overall estimated expenditure for all commercial relations work. It is difficult to account for the relevant manpower and financial resources separately.

Name in block letters: Kenneth MAK  
Post Title: Director-General of Trade and Industry  
Date: 28.3.2013

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

**CEDB(CIT)304**

Question Serial No.

4233

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 SME Export Marketing Fund (EMF):

- a) What is the respective number of applications received, number of applications approved and the average amount of grant for each approved application for the past three years (i.e. 2010-11, 2011-12 and 2012-13)?
- b) In 2013-14, will Trade and Industry Department (TID) allocate resources to conduct comprehensive review on the effectiveness and the scope of subsidy, etc of the EMF? If yes, what are the relevant work plan, work schedule and estimated expenditure? If not, what are the reasons?
- c) For the past three years (i.e. 2010-11, 2011-12 and 2012-13), how much did TID spend on the promotion of the EMF? In 2013-14, what are the promotion plan and expenditure breakdowns for the EMF?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

- (a) The number of applications received, the number of applications approved and the average amount of grant for applications approved under the SME Export Marketing Fund (EMF) in the past three years are as follows:

Financial Year	Number of Applications Received	Number of Applications Approved	Average Amount of Grant for Applications Approved
2010-11	26 157	23 757	\$13,458
2011-12	21 241	19 191	\$14,441
2012-13*	16 981	15 219	\$15,096

\* As at the end of February 2013

- (b) The Trade and Industry Department (TID) closely monitors the changes in the market as well as the needs of the SMEs and reviews from time to time the operation of the EMF to ensure that adequate and timely support is provided to the SMEs. Since 2008, TID has implemented a series of enhancement measures to the EMF, including raising the grant ceiling and expanding the scope of export promotional activities eligible for funding, etc. The measures were supported and welcomed by the trade. The Government now further proposes to increase the cumulative grant ceiling for each SME under the EMF from \$150,000 to \$200,000, subject to the meeting of relevant additional conditions.
- (c) In the past three years, TID attended a number of seminars organised by SME organisations and trade associations to promote the EMF to SMEs. The department also promoted the EMF to SMEs through different channels, such as TV and radio Announcements of Public Interest, exhibitions, promotional leaflets, website, etc. In the coming year, we will continue to make use of the above channels to promote the fund to more SMEs. The relevant manpower and expenditure have been subsumed within the establishment and provision of TID. It is difficult to quantify them separately.

Name in block letters: Kenneth MAK  
Post Title: Director-General of Trade and Industry  
Date: 28.3.2013

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

**CEDB(CIT)305**

Question Serial No.

4234

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:

What are the total amount of loans, total amount of defaults and default rate of the loan schemes in support of the enterprises under the Trade and Industry Department (TID) for the past three years (i.e. 2010-2011, 2011-2012 and 2012-2013)? Will TID increase the provision of resources to strengthen the support for SME loans or funding schemes in 2013-2014? If yes, what are the details? If not, what are the reasons?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The SME Loan Guarantee Scheme (SGS) and the Special Loan Guarantee Scheme (SpGS) of the Trade and Industry Department (TID) assist small and medium enterprises (SMEs) in securing loans in the commercial lending market through providing loan guarantees by the Government. The former is an ongoing scheme while the latter was a time-limited special measure launched in the light of the global financial crisis in 2008. The SpGS ceased to receive new applications after end of December 2010.

A total of 4 182 applications were approved under the SGS in 2010-11 to 2012-13 (up to the end of February 2013), involving a total loan amount of about \$11.2 billion. As at the end of February 2013, the cumulative amount of default claims under the SGS amounted to about \$420 million and the default rate was about 2.2%.

As for the SpGS, a total of 39 306 applications were approved under the scheme, involving a total loan amount of about \$94.8 billion. As at the end of February 2013, the cumulative amount of default claims under the SpGS was about \$830 million and the default rate was about 1.1%.

In 2013-14, TID will continue to assist enterprises in obtaining loans, exploring markets and enhancing the overall competitiveness through the three existing SME funding schemes, namely the SGS, the SME Export Marketing Fund (EMF) and the SME Development Fund (SDF). As at the end of February 2013, the utilisation rate of the SGS is about 64% (as compared with the total loan guarantee commitment of \$30 billion approved by the Legislative Council), while the utilisation rate of the EMF and the SDF is about 76% (as compared with the total commitment of \$3.75 billion approved by the Legislative Council for the two schemes). We have no plan to increase the commitments of the three funding schemes in 2013-14.

In order to encourage SMEs to explore new business opportunities, we propose to increase the cumulative amount of grant for each enterprise under the EMF from \$150,000 to \$200,000, subject to the meeting of relevant additional conditions. As of February 2013, there are more than 37 000 SME beneficiaries of the EMF, among which some 4 700 have exhausted their \$150,000 grant ceiling. Assuming that all these enterprises apply for and exhaust the additional grant of \$50,000, the additional expenditure will be \$235 million. The additional expenditure will increase as more SMEs apply for the additional grants after they have exhausted their current cumulative grant ceiling of \$150,000. The additional expenditure will be met by the relevant approved commitment.

Name in block letters: Kenneth MAK  
Post Title: Director-General of Trade and Industry  
Date: 28.3.2013

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

**CEDB(CIT)306**

Question Serial No.

4235

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:

The growth rate of Trade and Industry Department's estimated expenditure in 2013-14 is lower than that of the Government estimated expenditure. Besides, it also represents a lower share in the Government estimated expenditure than that in 2012-13. Would the Administration please explain the reasons for the above?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

Trade and Industry Department (TID) does not have significant new expenditure item in the 2013-14 estimates. The expenditure grows steadily. On the other hand, there is greater increase in the estimated expenditure of some other government departments which causes a higher growth rate of the Government's overall estimated expenditure than that of TID. For the same reason, TID's share in the Government's overall estimated expenditure is also lower than that in 2012-13.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013



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

**CEDB(CIT)307**

Question Serial No.

2376

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 estimated expenditure of Trade and Industry Department's contribution to the organisation of the Hong Kong Awards for Industries in 2013-14 is \$2 million which is 20% higher than that of \$1.6 million of the last two years. What are the reasons?

Asked by: Hon. CHIANG Lai-wan

Reply:

In response to the request from the industry and the organisers of the various Hong Kong Awards for Industries to enhance the promotion of the Hong Kong Awards for Industries in Hong Kong and overseas, particularly on the achievements of the winning enterprises, the estimated expenditure on publicity, including revamping of the website, production of electronic publicity mail and additional advertisements on external walls, television and newspapers, would increase in 2013-14. The rising costs for organising the presentation ceremony of the Hong Kong Awards for Industries (such as the venue rental) also account for the increase in the estimated expenditure.

In addition, the year of 2014 will mark the 25<sup>th</sup> anniversary of the Hong Kong Awards for Industries. The Trade and Industry Department has budgeted additional expenditure to organise related celebrations and promotional activities.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013

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

**CEDB(CIT)308**

Question Serial No.

1274

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 Trade and Industry Department (TID) will continue to facilitate trade adjustment to changes in the Mainland's policies and in the global economic environment during 2013-14. Would the Administration please advise on the relevant work carried out during 2012-13? What was the expenditure? What was the outcome? What will be the specific measures in the coming financial year? Given the changes in the external economic environment, will there be additional expenditure to facilitate trade adjustment to the market?

Asked by: Hon. CHUNG Kwok-pan

Reply:

The Trade and Industry Department (TID) endeavours to facilitate trade adjustment to changes in the Mainland's policies and in the global economic environment. Regarding the Mainland's policies, TID will closely liaise with the trade and the relevant Mainland authorities through the "Task Force to Support the Processing Trade", "the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade" and other channels to reflect the trade's views to the Mainland and assist them in addressing specific problems. In 2012-13, the issues of concern to the trade include processing trade, upgrading and restructuring, promoting domestic sales in the Mainland and labour-related issues, etc. TID actively liaises with the relevant Mainland authorities at central, provincial and municipal levels, playing a bridging role between the trade and the Mainland authorities. In addition, TID disseminates circulars to Hong Kong enterprises from time to time, providing them with information on the Mainland's new policies and regulations as well as other information on the business environment. In 2012-13, a total of about 700 such circulars were issued. The TID's website also includes a dedicated page on business information on the Mainland with hyperlinks to the economic and trade websites of about 200 Mainland authorities to facilitate Hong Kong traders to obtain economic and trade information of the Mainland.

In the face of changes in the global economic environment, relevant work carried out by TID and its outcome are as follows:

- (i) to closely monitor changes in the import regulations of our trading partners, disseminate relevant information and give prompt advice to local traders and manufacturers;

- (ii) to actively enhance trade and investment cooperation with trading partners so as to develop new markets for Hong Kong merchandise and services and create business opportunities. Moreover, we will explore the possibilities of concluding various bilateral agreements to strengthen economic and trade ties, which include:
- (a) The economies of the world have been actively forging free trade agreements (FTAs) in recent years. In view of this new trend, the Government endeavours to explore opportunities of forging FTAs with our trading partners so as to allow our goods and services to gain access to overseas markets under more favourable conditions. The implementation of the Hong Kong, China – New Zealand Closer Economic Partnership Agreement has been smooth since its entering into force on 1 January 2011. The FTA with the European Free Trade Association entered into force between Hong Kong, Iceland, Liechtenstein, Norway and Switzerland in October 2012, as well as between Hong Kong and Norway in November 2012. Hong Kong also signed a FTA with Chile in September 2012. In addition, Hong Kong submitted a request to the Association of Southeast Asian Nations (ASEAN) for joining the China-ASEAN Free Trade Area in November 2011 with a view to enhancing regional economic integration and assisting Hong Kong businessmen and investors in further exploring the Southeast Asian markets. In 2013, the Government will continue lobbying efforts in this aspect and further explore opportunities of forging free trade agreements with other trading partners; and
  - (b) In February 2013, Hong Kong and Thailand signed a Cooperation Arrangement on Strengthening Trade and Economic Relations to facilitate and promote bilateral economic cooperation in many areas and thus further strengthen the economic ties between Hong Kong and Thailand;
- (iii) to actively help promote economic and trade cooperation between Hong Kong and Taiwan to enhance the economic and trade relations between the two places; and
- (iv) to actively participate in regional economic cooperation fora, in particular the work of the Asia-Pacific Economic Cooperation and Pacific Economic Cooperation Council, discuss with other members on the challenges brought about by the changes in the regional and global economic environment and the ways to address them, promote regional economic growth and integration and enhance the business environment in the region.

In 2013-14 year, TID will continue to monitor changes in the Mainland's policies and in the global economic environment to provide the trade with appropriate assistance and will actively explore the opportunities of forging agreements with other trading partners.

The work relating to assisting the trade in the adjustment to changes in the Mainland's policies and in the global economic environment is part of the overall work on commercial relations and the relevant expenditure has been subsumed under the overall estimated expenditure for all commercial relations work. It is difficult to account for the relevant manpower and financial resources separately.

Name in block letters: Kenneth MAK  
 Post Title: Director-General of Trade and Industry  
 Date: 28.3.2013

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

**CEDB(CIT)309**

Question Serial No.

1275

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:

Regarding the work of trade support and facilitation, the Trade and Industry Department (TID) will continue to liaise closely with the Mainland authorities and local traders on Mainland issues of significant impact on business operations, particularly those affecting small and medium enterprises (SMEs). Please advise how effective such work was in 2012-13. Which provincial and municipal authorities in the Mainland were liaised with? What substantial work has been carried out? What was the expenditure involved? How will such work be implemented in the new financial year? Are there any specific initiatives and targets?

Asked by: Hon. CHUNG Kwok-pan

Reply:

In 2012-13, regarding those Mainland issues of significant impact on the business operations of the Hong Kong enterprises, the Trade and Industry Department (TID) has closely liaised with the trade through the "Task Force to Support the Processing Trade" and other channels to understand their views and concerns. At the same time, we have maintained a close dialogue with the relevant Mainland authorities including the "Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade" to relay to them the trade's views and discuss with them measures to support the trade. In addition, TID has disseminated information to Hong Kong enterprises by means of circulars to enhance the trade's understanding of the Mainland's new policies, regulations and business environment, and a total of about 700 circulars were issued in 2012-13. TID's website also includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland.

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

In 2013-14, TID will continue to implement the above measures to assist Hong Kong enterprises in operating in the Mainland.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013

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

**CEDB(CIT)310**

Question Serial No.

1276

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:

In the Matters Requiring Special Attention in 2013-14 under the Programme of Trade Support and Facilitation, it is stated that the Trade and Industry Department (TID) will review and adjust the textiles control system as appropriate taking into account developments in both the international and local textiles trade. Please advise how effective such work was in 2012-13. What adjustments will be implemented in the coming financial year? Despite a slight decrease in the number of textiles trader registrants last year and the expectation of the Administration that textiles production would continue to relocate outside Hong Kong, there have been recently some textiles and garment traders with factories on the Mainland showing interest in relocating back to Hong Kong. Would the Administration increase the provision of resources and manpower for researches and assistance to attract the textiles traders to return to Hong Kong for development?

Asked by: Hon. CHUNG Kwok-pan

Reply:

TID is maintaining necessary control over the import and export of textiles to protect the interests of Hong Kong's textiles trade. In light of the significantly reduced risk of some overseas markets in instigating trade restrictive measures against Mainland textiles, TID lifted the licensing requirements for all textiles imports and exports involving "non-sensitive markets" and for all textiles transshipments in May 2011. We are conducting a review on whether to further liberalize the textiles control system, taking into account developments on various fronts including the potential risks of trade restrictive measures by major markets against Mainland textiles and the views of the related trade.

The Government's policy is to facilitate the development of the trade through providing a business-friendly environment and rendering support under the market-led principle. The various initiatives undertaken by the Government, such as the SME Loan Guarantee Scheme, the Dedicated Fund on Branding, Upgrading and Domestic Sales, and the Innovation and Technology Fund are providing support to textiles and garment enterprises interested in relocating back to Hong Kong in the areas of financing, brand promotion as well as innovation and research and development.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013

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

**CEDB(CIT)311**

Question Serial No.

1277

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 tasks of the Trade and Industry Department (TID) in support for small and medium enterprises and industries is to assist Hong Kong enterprises in the development and promotion of brands to enhance their competitiveness in the Mainland and overseas markets. Regarding the new government's indication to assist in the promotion of "Hong Kong Brands", what are TID's initiatives in 2013-14 to complement the relevant policies? Will there be additional manpower tasked for such work? If yes, what are the details? What is the estimated expenditure? If not, what are the reasons?

Asked by: Hon. CHUNG Kwok-pan

Reply:

TID endeavours to assist Hong Kong enterprises in developing brands and exploring the Mainland and overseas markets. Its SME Export Marketing Fund provides financial support to small and medium enterprises (SMEs) for participating in export promotion activities; while the SME Development Fund provides financial support to non-profit-distributing organisations to carry out projects which enhance the competitiveness of SMEs in general or in specific sectors in Hong Kong. The estimated expenditure of the above funds for 2013-14 is \$266.9 million.

Furthermore, to assist Hong Kong enterprises in establishing their brands and enhancing their competitiveness in the Mainland and overseas markets, in 2013-14, we will continue to co-operate with the Hong Kong Trade Development Council, local business associations and other relevant organisations to organise seminars to help enterprises better understand brand development as well as strategies to explore the Mainland and overseas markets. TID will also disseminate practical reference information relevant to brand development to Hong Kong enterprises through various channels (such as brand promotion website). Expenses for organising seminars and maintaining the brand promotion website, etc are covered by the recurrent expenditure of TID and the relevant work will be handled by existing manpower.

In addition, we launched the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) on 25 June 2012 to provide funding support to individual enterprises and non-profit-making organisations, so as to assist enterprises in enhancing their competitiveness and facilitating their business development in the Mainland. Up to the end of February 2013, 54<sup>1</sup> and 17 applications were approved under the Enterprise Support Programme and Organisation Support Programme of the BUD Fund respectively. The total amount of funding approved is about \$81.9 million. We have already re-deployed manpower to handle the relevant work in 2012-13 and do not have any plan for additional manpower in 2013-14.

Name in block letters: Kenneth MAK  
Post Title: Director-General of Trade and Industry  
Date: 28.3.2013

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<sup>1</sup> Excluding 47 applications that were granted conditional approval. The final approval of such applications and the amount of grants will be subject to further information submitted by the applicants.

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

**CEDB(CIT)312**

Question Serial No.

0815

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. For those young people who wish to start their businesses but lack financial means, what funding schemes are provided by the Government for them to apply?
- b. Further to the above, how many applications have been received over the past two years (i.e. 2011-2012 to 2012-13) for the funding schemes which assist the public in starting their businesses? How many cases among them are applied by young people between the ages of 18 and 35?
- c. Regarding a large number of cases in foreign countries in which young people with innovative ideas tried to start up their businesses and subsequently gained great success, has the SAR Government ever considered allocating fund to set up a start-up fund specially for young people to apply?

Asked by: Hon. CHUNG Shu-kun, Christopher

Reply:

The SME Loan Guarantee Scheme of the Trade and Industry Department assists SMEs (including newly started-up enterprises) in securing loans in the commercial lending market to meet their financing needs. The Government provides up to 50% loan guarantee for approved loans and the maximum amount of loan guarantee for each SME is \$6 million. The scheme received a total of 3 532 applications in 2011-12 and 2012-13 (up to the end of February 2013). We do not have statistics on the number of applicant enterprises by different age groups.

The Hong Kong Mortgage Corporation Limited introduced a three-year Microfinance Scheme in late June 2012 on a pilot basis to assist people who may wish to start their own business or take self-enhancement training but cannot do so due to a lack of financial means or difficulties in obtaining loans from traditional finance sources. As at the end of February 2013, the scheme has approved more than 50 applications for "Micro Business Start-up Loans", some of which has helped young people start their own business, such as running an information technology business, setting up coffee shops, etc. The number of applications approved involving applicants aged 18-35 represent 48% of the total loan applications approved.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013



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

**CEDB(CIT)313**

Question Serial No.

3667

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 departmental records management work over the past three years (2010-11, 2011-12 and 2012-13):

1. Please provide information on the number and rank of officers designated to perform such work. If there is no officer designated for such work, please provide information on the number of officers and the hours of work involved in records management duties, and their scope of duties in relation to records management.
2. Please list in the table below information on programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal:

Category of records	Years covered by the records	Number and linear metres of records	Retention period approved by GRS	Are they confidential documents

3. Please list in the table below information on programme and administrative records which have been transferred to GRS for retention:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

4. Please list in the table below information on records which have been approved for destruction by GRS:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

Asked by: Hon. HO Sau-lan, Cyd

Reply:

Information on the records management work of the Trade and Industry Department over the past three financial years is as follows:

1. The Trade and Industry Department has already appointed a Principal Executive Officer to take up the role of Departmental Records Manager. She is assisted by two Assistant Departmental Records Managers and 14 Records Managers (at least one from each Division/Branch) to help implement and monitor records management matters. Since these officers have to take care of duties other than records management work and the time and percentage share in such duties vary over different periods of time, it is difficult to quantify the hours of work involved accurately.
2. Information on programme and administrative records which have been closed by the department pending transfer to the Government Records Service (GRS) for appraisal is as follows:

Category of records	Years covered by the records	Number and linear metres of records	Retention period approved by GRS	Are they confidential documents
Programme records	1960 to 2013	259 records/ 17.28 linear metres	5 - 10 years (counting from the date after the closed records have been classified as inactive records)	No
	2010 to 2013	43 records/ 2.36 linear metres	10 years (counting from the date after the closed records have been classified as inactive records)	Yes

3. No programme or administrative records have been transferred to GRS for retention over the past three years.

4. Information on the records approved for destruction by GRS is as follows:

Category of records	Years covered by the records	Number and linear metres of records	Years that records approved for destruction by GRS	Retention period approved by GRS	Are they confidential documents
Administrative records	1968 to 2010	266 records/ 9.55 linear metres	2012 to 2013	According to General Administrative Records Disposal Schedules (GARDS)	No
Category of records	Years covered by the records	Number and linear metres of records	Years that records approved for destruction by GRS	Retention period approved by GRS	Are they confidential documents
Programme records	1996 to 2009	599 384 records/ 1 206.8 linear metres	2010 to 2013	2 to 7 years	No

Name in block letters: Kenneth MAK  
 Post Title: Director-General of Trade and Industry  
 Date: 28.3.2013

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

**CEDB(CIT)314**

Question Serial No.

1028

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 Trade and Industry Department has launched the Special Loan Guarantee Scheme amounted to \$100 billion since December 2008 and the scheme has ceased receiving applications since the end of December 2010. Would the Administration please inform the Committee:

- (a) the number of applications, the number of successful applications and the total amount of approved grants under the scheme;
- (b) the number and amount of default cases as of today;
- (c) whether the effectiveness of the scheme has been thoroughly reviewed? If yes, what are the details? If not, what are the reasons?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

- (a) By the closing of the application period of the Special Loan Guarantee Scheme (SpGS) in the end of December 2010, a total of 43 000 applications had been received. Over 39 000 applications were approved, involving a total loan amount and a total guarantee amount of about \$94.8 billion and \$74.1 billion respectively.
- (b) Up to the end of February 2013, the Trade and Industry Department had received 881<sup>1</sup> default claims, involving a total claim amount of about \$830 million.

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<sup>1</sup> Not including claims eventually repaid in full and claims withdrawn by the participating lending institutions after they had lodged the claims to the Trade and Industry Department.

- (c) In the light of the global financial crisis in 2008, the Government launched the SpGS to tide enterprises over financing difficulties due to the credit crunch. It is a special measure at special times. The scheme was well received by the trade and had contributed positively in supporting enterprises and protecting employment during the financial crisis. It had benefitted more than 20 000 enterprises, of which 96% were SMEs, and helped preserve more than 340 000 jobs.

Name in block letters: Kenneth MAK  
Post Title: Director-General of Trade and Industry  
Date: 28.3.2013

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

**CEDB(CIT)315**

Question Serial No.

0720

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:

Paragraph 70 of the Budget Speech stated that it is proposed to increase the cumulative amount of the grant for SMEs under the SME Export Marketing Fund (EMF) from \$150,000 to \$200,000, subject to the meeting of relevant additional conditions for subsidising SMEs' export promotion activities. As such, please advise:

- (a) what are the "additional conditions"?
- (b) what is the additional expenditure required for increasing the cumulative amount of the grant from \$150,000 to \$200,000?
- (c) will the Administration consider allowing those SMEs which have reached the grant ceiling to re-apply for the Fund after a period of time?

Asked by: Hon. LAM Tai-fai

Reply:

- (a) The Government proposes that enterprises which have already exhausted their current cumulative grant ceiling of \$150,000 under the SME Export Marketing Fund (EMF) will have to use the additional grants to participate in eligible export promotion activities other than those activities previously subsidised by the EMF should they wish to enjoy the additional grant of \$50,000. Such activities may include participating in different trade exhibitions, placing advertisements in different printed trade publications, or participating in business missions to other places, etc. The purpose of setting the additional condition is to encourage SMEs to explore new business opportunities.
- (b) As of February 2013, there are more than 37 000 SME beneficiaries of the EMF, among which some 4 700 have exhausted their \$150,000 grant ceiling. Assuming that all these enterprises will apply for and exhaust the additional grant of \$50,000, the additional expenditure will be \$235 million. The additional expenditure will increase as more SMEs apply for the additional grants after they have exhausted their current cumulative grant ceiling of \$150,000. All additional expenditure will be met by the approved commitment.

- (c) The aim of the EMF is to encourage SMEs to explore business opportunities in new markets, instead of subsidising the recurrent operating expenses of the enterprises. In addition, in order to benefit more SMEs (including the newly established enterprises), we do not have any plans at this stage to provide SMEs with long-term subsidy in this manner.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013

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

**CEDB(CIT)316**

Question Serial No.

3759

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 stated in Paragraph 70 of the Budget Speech that the Government will continue to assist Hong Kong enterprises to enhance their competitiveness through upgrading and restructuring through the BUD Fund and the Fund has since its inception received more than 500 applications. In this regard, please list respectively the types of enterprises, funding schemes applied for, amount of grants approved and processing progress.

Asked by: Hon. LAM Tai-fai

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012. Subject to the financial position of the BUD Fund, the fund will be open for applications for five years. During the tenure of the BUD Fund, each enterprise may obtain funding for a maximum of three approved projects under the Enterprise Support Programme (ESP), with a cumulative funding ceiling per enterprise at \$500,000. The maximum amount of grant for each application under the Organisation Support Programme (OSP) is \$5 million, and there is no limit on the number of funding applications.

Up to the end of February 2013, we have processed 297 and 37 applications under the ESP and the OSP respectively, and 54<sup>1</sup> and 17 applications were approved, with an average amount of grants of \$394,000 and \$3.57 million respectively. The highest amount of funding approved are \$500,000 and \$5 million, while the lowest amount of funding approved are \$15,000 and \$914,400 under the ESP and the OSP respectively. The total amount of funding approved is about \$81.9 million. We are now processing 222 and 17 applications under the ESP and OSP respectively.

Up to the end of February 2013, the industries involved in the applications received under the BUD Fund (including those subsequently withdrawn by the applicants) and their project nature are as follows –

<sup>1</sup> Excluding 47 applications that were granted conditional approval. The final approval of such applications and the amount of grants will be subject to further information submitted by the applicants.



<b>Industry</b>	<b>ESP *</b>	<b>OSP</b>
<b><i>Manufacturing industries</i></b>		
Textiles and Clothing	30 (3)	2 (0)
Electronics	29 (2)	4 (2)
Plastics	22 (1)	1 (1)
Watches and Clocks	21 (3)	-
Toys	14 (1)	-
Jewellery	13 (1)	3 (1)
Metal Products	13 (1)	-
Printing and Publishing	13 (0)	1 (1)
Electrical Appliances	10 (1)	-
Industrial Machinery	9 (2)	-
Food & Beverage Manufacturing	7 (1)	1 (1)
Chemical & Biotechnology	6 (0)	-
Shoes	3 (1)	1 (0)
Medical and optical devices	3 (0)	1 (1)
Other manufacturing industries	36 (6)	5 (3)
<b><i>Non-manufacturing industries</i></b>		
Wholesale & Retail	105 (11)	2 (0)
Import & Export Trade	41 (5)	-
Information Technology	34 (4)	6 (3)
Creative Industries (including product image and design services)	16 (2)	-
Advertisement, Sales & Marketing	13 (2)	-
Professional Services (including legal & accounting services)	11 (2)	-
Restaurants and Hotels	10 (0)	4 (0)
Logistics	6 (2)	-
Banking, Insurance & Other Finance Services	3 (0)	1 (0)
Enterprises in general	0 (0)	17 (2)
Transportation	0 (0)	1 (1)
Film Entertainment	0 (0)	1 (0)
Other non-manufacturing industries	51 (3)	3 (1)
<b>Total</b>	<b>519 (54)<sup>+</sup></b>	<b>54 (17)<sup>+</sup></b>

( ) figures in brackets indicate the number of approved applications

\* Applicant enterprises involved in more than one industries are categorised based on their core business or the business with a larger scale.

+ Including 114 and 6 applications under the ESP and OSP that were subsequently withdrawn by the applicants respectively.

<b>Project Nature</b>	<b>ESP</b>	<b>OSP</b>
Branding	32(4)	6(2)
Upgrading/Restructuring	60(5)	1(0)
Domestic Sales	76(0)	19(3)
Branding and Domestic Sales	144(13)	23(9)
Branding and Upgrading/Restructuring	19(1)	2(2)
Upgrading/Restructuring and Domestic Sales	46(7)	3(1)
Branding, Upgrading/Restructuring and Domestic Sales	142(24)	0(0)
Total	519(54)	54(17)

( ) figures in brackets indicate the number of approved applications

Name in block letters: Kenneth MAK  
Post Title: Director-General of Trade and Industry  
Date: 28.3.2013

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

**CEDB(CIT)317**

Question Serial No.

0196

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 estimated provision of \$124.5 million for 2013-14 is 5.3% higher than the original estimate for 2012-13. Would the Administration please advise on the following:

- (1) the number of staff currently tasked to handle licensing/certification services in Trade and Industry Department (TID); and
- (2) among the 26 types of licences/certificates planned to be issued in 2013, only the number of 8 types of licenses/certificates will be adjusted upwards while the rest downwards. Meanwhile, the Administration has intended to further streamlining procedures and requirements. Would the Administration consider reducing the manpower? If yes, what is the relevant number? If not, what are the reasons?

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

- (1) Currently, 119 staff are tasked to handle various types of licences/certificates in TID.
- (2) Subject to practical circumstances, the number of various licences/certificates issued every year may vary. TID will pay heed to the changes and trend in the number of licences/certificates issued, so as to timely review the manpower requirements. As a matter of fact, following the partial liberalisation of the textiles control for imports and exports, the number of licences/certificates issued has been on the decrease. In this regard, a total of 21 posts have been deleted from the licensing/certification units and redeployed within the department during 2009 to 2012.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013

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

**CEDB(CIT)318**

Question Serial No.

0265

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 provision of \$539 million for 2013-14 for supporting the small and medium enterprises (SMEs) and industries is 24.8% higher than the original estimate for 2012-13. Would the Administration please advise on :

- (1) the maximum and minimum amounts of grants to each SME applying for the BUD Fund in 2012; and
- (2) how the number of the SME applications for the BUD Fund in 2013 is projected?

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012. Up to the end of February 2013, a total of 54 applications<sup>1</sup> have been approved under the Enterprise Support Programme of the BUD Fund, among which 49 were submitted by SMEs. The maximum and minimum amounts of grants to individual SMEs were \$500,000 and \$15,000 respectively.

It is difficult to estimate accurately the number of applications to be made under the BUD Fund in 2013. From 25 June 2012 to 31 December 2012, around 500 applications were received under the Enterprise Support Programme of the BUD Fund. If a projection is made on this basis, we estimate that about 1 000 applications may be received under the Enterprise Support Programme in 2013.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013

<sup>1</sup> Excluding 47 applications that were granted conditional approval. The final approval of such applications and the amount of grants will be subject to further information submitted by the applicants.

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

**CEDB(CIT)319**

Question Serial No.

1088

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 Government will continue to make use of the \$1 billion BUD Fund set up last June to assist Hong Kong enterprises to enhance their competitiveness in the Mainland through upgrading and restructuring, developing brands and promoting domestic sales in the Mainland. The Fund has since received more than 500 applications. Would the Administration please advise how many applications have been successfully approved? How much was the total approved grants? Has the Administration assessed the effectiveness of the BUD Fund on enterprises?

Asked by: Hon. LEUNG Mei-fun, Priscilla

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012. Up to the end of February 2013, 54<sup>1</sup> and 17 applications were approved under the Enterprise Support Programme (ESP) and Organisation Support Programme (OSP) of the BUD Fund respectively. The total amount of funding approved is about \$81.9 million.

All the funded projects are in progress and are not yet completed. The enterprises and organisations implementing the projects are required to submit progress reports, final reports, auditor's reports, etc. The Hong Kong Productivity Council (secretariat of the ESP) and Trade and Industry Department (secretariat of the OSP) will closely monitor the progress of the projects under the two programmes to ensure that public money is used properly, and will assess the effectiveness of the programmes upon completion of the projects.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013

<sup>1</sup> Excluding 47 applications that were granted conditional approval. The final approval of such applications and the amount of grants will be subject to further information submitted by the applicants.

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

**CEDB(CIT)320**

Question Serial No.

1445

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 Trade and Industry Department (TID) administers the Organisation Support Programme of the Dedicated Fund on Branding, Upgrading and Domestic Sales (the BUD Fund), which was launched in June 2012. The amount of grant approved during the year amounted to \$60.60 million. Would the Administration advise: whether TID has followed up those approved applications and assessed the effectiveness of the Fund so as to continuously optimise the operation of the Fund. If yes, what are the details? If no, what are the reasons?

Asked by: Hon. LO Wai-kwok

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012. Up to the end of February 2013, a total of 17 applications have been approved under the Organisation Support Programme of the BUD Fund and the total amount of funding approved is \$60.64 million. All the funded projects are in progress and are not yet completed. The organisations implementing the projects are required to submit Progress Reports, Final Reports, Auditor's Reports and Post-Project Evaluation Reports. TID will closely monitor the progress of the projects to ensure that public money is used properly, and will assess the effectiveness of the projects upon their completion.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013

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

**CEDB(CIT)321**

Question Serial No.

5017

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 BUD Fund (the Dedicated Fund on Branding, Upgrading and Domestic Sales – Enterprise Support Programme) launched in June 2012 by the Government:

- (1) What amount of grant has been approved so far?
- (2) Has the Administration assessed the effectiveness of the Fund so far? Is there any plan to conduct an interim assessment on its effectiveness in 2013-14? If yes, what are the details? If no, what are the reasons?
- (3) Has the Administration ever considered extending the scopes of funding of expanding sales to Taiwan and overseas areas at a later stage?

Asked by: Hon. MOK, Charles Peter

Reply:

The Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) was launched on 25 June 2012. Subject to the financial position of the BUD Fund, the fund will be open for applications for five years. During the tenure of the BUD Fund, each enterprise may obtain funding for a maximum of three approved projects under the Enterprise Support Programme (ESP), with a cumulative funding ceiling per enterprise at \$500,000. The maximum amount of grant for each application under the Organisation Support Programme (OSP) is \$5 million, and there is no limit on the number of funding applications.

Up to the end of February 2013, we have processed 297 and 37 applications under the ESP and the OSP respectively, and 54<sup>1</sup> and 17 applications were approved, with an average amount of grants of \$394,000 and \$3.57 million respectively. The highest amount of funding approved are \$500,000 and \$5 million, while the lowest amount of funding approved are \$15,000 and \$914,400 under the ESP and the OSP respectively. The total amount of funding approved is about \$81.9 million. We are now processing 222 and 17 applications under the ESP and OSP respectively.

<sup>1</sup> Excluding 47 applications that were granted conditional approval. The final approval of such applications and the amount of grants will be subject to further information submitted by the applicants.

The BUD Fund aims at providing funding support to individual enterprises and non-profit-making organisations in Hong Kong, so as to assist enterprises in capturing the opportunities arising from the National 12th Five-year Plan through developing brands, upgrading and restructuring business operations, and exploring domestic sales in the Mainland, in order to enhance their competitiveness and facilitate their business development in the Mainland. All the funded projects are in progress and are not yet completed. We will closely monitor the operation of the BUD Fund and assess its effectiveness in due course. Based on the objectives of the BUD Fund, we also have no plan to extend the funding scope of the BUD Fund to cover areas other than the Mainland.

Name in block letters: Kenneth MAK  
Post Title: Director-General of Trade and Industry  
Date: 28.3.2013



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

**CEDB(CIT)322**

Question Serial No.

5018

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 proposed in the Budget to increase the cumulative amount of the grant under the SME Export Marketing Fund from \$150,000 to \$200,000. However, the Government has not responded to SMEs' proposal of re-injecting fund to the SME Training Fund (STF). Would the Government advise if it would consult the trade and the public in 2013-14 to reactivate the STF so that SMEs can obtain resources to provide training to their staff?

Asked by: Hon. MOK, Charles Peter

Reply:

The Government attaches great importance to the manpower training of small and medium enterprises (SMEs) and has implemented a number of measures, such as setting up the Continuing Education Fund and implementing the Manpower Development Scheme through the Employees Retraining Board, etc, to provide training for employees of SMEs in order to enhance their skills and competitiveness.

In addition, the SME Development Fund (SDF) of the Trade and Industry Department also subsidises non-profit-distributing organisations (including industrial and trade organisations and professional bodies) to conduct projects relating to staff training, such as organising seminars, workshops and training courses, and drawing up codes of best practices and guidelines, etc, in order to improve the capability and quality of the employees of SMEs. We consider that pooling the resources of the existing schemes can better address the training needs of SMEs.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013

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

**CEDB(CIT)323**

Question Serial No.

1570

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 mentioned in paragraph 27 of the 2013 Policy Address that the Central People's Government (CPG) has adopted the "early and pilot implementation" approach in Guangdong Province to improve our service industries' access to the Mainland market and the Chief Executive has proposed to CPG that the "early and pilot implementation" approach be extended beyond Guangdong Province to other provinces and municipalities in the Pan-Pearl River Delta region. Please advise:

- (a) what will be the estimated expenditure that the Bureau spends on this work in 2013-14?
- (b) what are the respective number and ranks of officers tasked for this work?
- (c) what projects will be included in the specific work plans?
- (d) what is the progress or schedule for 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

Taking into account the needs of the trade, the HKSAR Government will continue to pursue with the Central People's Government, through the consultative mechanism under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), to further extend the "early and pilot implementation" liberalisation measures to the whole nation or other provinces/municipalities, particularly those in the Pan-Pearl River Delta region. The relevant work has already commenced and is being carried out by a number of government agencies. The Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau is responsible for the overall policy on CEPA; the Trade and Industry Department (TID) oversees bilateral discussions on further liberalisation and implementation of liberalisation measures under CEPA; and individual bureaux and departments deal with liberalisation and specific implementation issues in the relevant service sectors. The manpower and financial resources involved in the work are absorbed by relevant bureaux or departments. We do not have information on the actual amount.

The work will be taken up by TID's existing manpower resources. The ranks of the responsible officers range from Assistant Trade Officers to Director-General of Trade and Industry.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013

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

**CEDB(CIT)324**

Question Serial No.

5096

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 stated in Programme (2) that the Trade and Industry Department (TID) will continue to liaise closely with the Mainland authorities and local traders on Mainland issues of significant impact on business operations, particularly those affecting small and medium enterprises (SMEs). In this regard, would the Administration please advise this Committee:

- (a) the number of cases requesting for assistance by SMEs regarding the Mainland issues, the category of the cases seeking assistance and the number and proportion of accepted cases over the past five years;
- (b) whether TID has set up related agencies in the Mainland to facilitate SMEs operating in the Mainland to seek assistance? What is the proportion of resources involved?

Asked by: Hon. TANG Ka-piu

Reply:

In 2012-13, regarding those Mainland issues of significant impact on the business operations of Hong Kong enterprises, the Trade and Industry Department (TID) has closely liaised with the trade through the "Task Force to Support the Processing Trade" and other channels to understand their views and concerns. At the same time, we have maintained a close dialogue with the relevant Mainland authorities including the "Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade" to relay to them the trade's views and discuss with them measures to support the trade. In addition, TID has disseminated information to Hong Kong enterprises by means of circulars to enhance the trade's understanding of the Mainland's new policies, regulations and business environment, and a total of about 700 circulars were issued in 2012-13. TID's website also includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland.

TID has not set up any agencies in the Mainland. The HKSAR Government has set up four offices in the Mainland, namely the Beijing Office and the Hong Kong Economic and Trade Offices in Guangdong, Shanghai and Chengdu as well as liaison units in Shenzhen, Fujian and Chongqing. These offices provide assistance to Hong Kong enterprises operating in the Mainland.

Due to the work nature of TID, TID has received less than 10 cases from SMEs directly seeking assistance from this department on issues relating to the Mainland in the past five years. Except for cases about enquiring or obtaining information, the department has referred other cases to the relevant Mainland Offices for follow-up.

Name in block letters: Kenneth MAK  
Post Title: Director-General of Trade and Industry  
Date: 28.3.2013

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

**CEDB(CIT)325**

Question Serial No.

5097

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 in Programme (3) that the Trade and Industry Department (TID) administers three SME Funding Schemes, namely the SME Loan Guarantee Scheme (SGS), the SME Export Marketing Fund (EMF) and the SME Development Fund (SDF). In this regard, please advise this Committee on the following:

1. List respectively the number of applications, approved amount, trade distribution ratio; as well as number of and reasons for rejected applications of the three SME Funding Schemes for the past three years (i.e. from 2010-11 to 2012-13).
2. Does TID periodically analyse the SME situation so as to review whether the relevant funding schemes appropriately meet the current needs? If yes, please give a brief explanation and list the arrangement of next analysis in details. If not, will the department consider conducting relevant research and analysis?
3. Will there be any new funding scheme? If yes, please provide the details.

Asked by: Hon. TANG Ka-piu

Reply:

Relevant data and information on the SME Loan Guarantee Scheme, the SME Export Marketing Fund and the SME Development Fund for the past three years are as follows:

### **SME Loan Guarantee Scheme**

	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13*</b>
Number of Applications Received <sup>Note 1</sup>	1 018	2 119	1 413
Number of Applications Approved	912	1 958	1 312
Total Amount of Loan Approved (\$billion)	3.63	4.50	3.07
Total Amount of Loan Guarantee Approved (\$billion)	1.79	2.25	1.53
Number of Applications Rejected <sup>Note 2</sup>	0	1	0
Main Reason for Rejection	The amount of loan guarantee under application, together with the amount of loan guarantee previously approved for the applicant, exceeded the maximum loan guarantee amount of \$6 million per enterprise.		
Distribution by Industry (Number of Applications Approved)			
- <i>Manufacturing Industries</i> <sup>Note 3</sup>	431 (47%)	517 (26%)	305 (23%)
- <i>Non-manufacturing Industries</i> <sup>Note 4</sup>	481 (53%)	1 441 (74%)	1 007 (77%)

\* As at the end of February 2013

( ) Percentage of the applications approved

### **SME Export Marketing Fund**

	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13*</b>
Number of Applications Received <sup>Note 1</sup>	26 157	21 241	16 981
Number of Applications Approved	23 757	19 191	15 219
Total Amount of Grants Approved (\$million)	320	280	230
Number of Applications Rejected <sup>Note 2</sup>	3 338	3 035	2 053
Main Reason for Rejection	Applicant failed to provide documentary proofs or receipts to verify its eligibility or the claimed expenditure. Hence, such applications could not be further processed.		
Distribution by Industry (Number of Applications Approved)			
- <i>Manufacturing Industries</i> <sup>Note 3</sup>	11 855 (50%)	9 311 (49%)	7 175 (47%)
- <i>Non-manufacturing Industries</i> <sup>Note 4</sup>	11 902 (50%)	9 880 (51%)	8 044 (53%)

\* As at the end of February 2013

( ) Percentage of the applications approved

## **SME Development Fund**

	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13*</b>
Number of Applications Received <sup>Note 1</sup>	50	39	34
Number of Applications Approved	15	24	18
Amount of Grants Approved (\$million)	14.7	31	22.7
Number of Applications Rejected <sup>Note 2</sup>	13	12	17
Main Reasons for Rejection	The project proposals submitted by the applicants were unclear; implementation details of the projects were vague; project budgets could not comply with the funding requirements; or applicants failed to demonstrate their capability in implementing the projects.		
Distribution by Industry (Number of Applications Approved)			
- <i>Manufacturing Industries</i> <sup>Note 3</sup>	6 (40%)	7 (29%)	5 (28%)
- <i>Non-manufacturing Industries</i> <sup>Note 4</sup>	5 (33%)	10 (42%)	5 (28%)
- <i>SMEs in general</i>	4 (27%)	7 (29%)	8 (44%)

\* As at the end of February 2013

( ) Percentage of the applications approved

Note 1: As the submission and approval of applications may cross two different financial years, there may be discrepancies between the number of applications received in one financial year and the sum of the numbers of applications approved and rejected in the same financial year.

Note 2: Excluding applications withdrawn by the applicants.

Note 3: Major sectors included textiles and clothing, electronics, printing and publishing, metal products, jewellery, watches and clocks, toys, etc.

Note 4: Major sectors included import and export trade, wholesale and retail, professional services, information technology, restaurants and hotels, transportation/logistics services, etc.

The Trade and Industry Department (TID) has been closely monitoring the changes in market situation and the needs of the SMEs, and reviewing the operation of the funding schemes with a view to providing adequate and timely support to the trade. For instance, since 2008, TID has implemented a series of enhancement measures to the SME Export Marketing Fund (EMF), including raising the grant ceiling and expanding the scope of export promotional activities eligible for funding, etc. In addition, the 2013-14 Budget proposed to increase the cumulative grant ceiling for each SME under the EMF from \$150,000 to \$200,000, subject to the meeting of relevant additional conditions. We do not have any plan to introduce new SME funding scheme at this stage.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013



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

**CEDB(CIT)326**

Question Serial No.

1935

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 Trade and Industry Department (TID) plans to continue to facilitate trade adjustment to changes in the Mainland's policies and in the global economic environment in 2013-14. In this regard, would the Administration please advise what specific work has been done since 2008-09 and the breakdown of the expenditure involved as well the specific work plan in 2013-14 and the breakdown of the expenditure involved?

Asked by: Hon. TIEN Pei-chun, James

Reply:

The Trade and Industry Department (TID) endeavours to facilitate trade adjustment to changes in the Mainland's policies and in the global economic environment. Regarding the Mainland's policies, TID will closely liaise with the trade and the relevant Mainland authorities through the "Task Force to Support the Processing Trade", "the Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade" and other channels to reflect the trade's views to the Mainland and assist them in addressing specific problems. The issues of concern to the trade include processing trade, upgrading and restructuring, promoting domestic sales in the Mainland and labour-related issues, etc. TID actively liaises with the relevant Mainland authorities at central, provincial and municipal levels, playing a bridging role between the trade and the Mainland authorities. In addition, TID disseminates circulars to Hong Kong enterprises from time to time, providing them with information on the Mainland's new policies and regulations as well as other information on the business environment. Since 2008-09, a total of about 2 000 such circulars have been issued. The TID's website also includes a dedicated page on business information on the Mainland with hyperlinks to the economic and trade websites of about 200 Mainland authorities to facilitate Hong Kong traders to obtain economic and trade information of the Mainland.

In the face of changes in the global economic environment, the following specific work has been done by the TID:

- (i) to closely monitor changes in the import regulations of our trading partners, disseminate relevant information and give prompt advice to local traders and manufacturers;

- (ii) to actively enhance trade and investment cooperation with trading partners so as to develop new markets for Hong Kong merchandise and services and create business opportunities. Moreover, we will explore the possibilities of concluding various bilateral agreements to strengthen the economic and trade ties, which include:
  - (a) The economies of the world have been actively forging free trade agreements (FTAs) in recent years. In view of this new trend, the Government endeavours to explore opportunities of forging FTAs with our trading partners so as to allow our goods and services to gain access to overseas markets under more favourable conditions. The Government signed the Hong Kong, China – New Zealand Closer Economic Partnership Agreement with New Zealand, FTAs with the European Free Trade Association (Iceland, Liechtenstein, Norway and Switzerland) and with Chile in March 2010, June 2011 and September 2012 respectively. In addition, Hong Kong submitted a request to Association of Southeast Asian Nations (ASEAN) to join the China-ASEAN Free Trade Area in November 2011 with a view to assisting Hong Kong traders and investors in further exploring the Southeast Asian markets. In 2013, the Government will continue lobbying efforts in this aspect and further explore opportunities of forging free trade agreements with other trading partners; and
  - (b) Hong Kong signed bilateral arrangements with the following trading partners to further strengthen economic ties between Hong Kong and the relevant countries:
    - (1) a Cooperation Arrangement on Trade and Investment Facilitation with Peru in November 2008;
    - (2) a Joint Declaration on Strengthening Economic Cooperation with Malaysia in December 2009;
    - (3) an Economic and Technical Cooperation Agreement with Kuwait in May 2010; and
    - (4) a Cooperation Arrangement on Strengthening Trade and Economic Relations with Thailand in February 2013;
- (iii) to actively help promote economic and trade cooperation between Hong Kong and Taiwan to enhance the economic and trade relations between the two places; and
- (iv) to actively participate in regional economic cooperation fora, in particular the work of the Asia-Pacific Economic Cooperation and Pacific Economic Cooperation Council, discuss with other members on the challenges brought about by the changes in the regional and global economic environment and the ways to address them, promote regional economic growth and integration and enhance the business environment in the region.

In 2013-14, TID will continue to monitor changes in the Mainland's policies and in the global economic environment to provide the trade with appropriate assistance and will actively explore the opportunities of forging agreements with other trading partners.

The work relating to assisting the trade in the adjustment to changes in the Mainland's policies and in the global economic environment is a part of the overall work of commercial relations and the relevant expenditure has been subsumed under the overall estimated expenditure of the commercial relations work. It is difficult to account for the relevant manpower and financial resources separately.

Name in block letters: Kenneth MAK  
Post Title: Director-General of Trade and Industry  
Date: 28.3.2013

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

**CEDB(CIT)327**

Question Serial No.

1936

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:

There is an item "Consultancy to provide advisory services on trade in goods and services" under the General non-recurrent expenditure. Would the Administration please advise on the details of this item, the expenditure over the years and whether any assessment has ever been conducted to assess the effectiveness? If yes, what are the details? If not, what are the reasons?

Asked by: Hon. TIEN Pei-chun, James

Reply:

"Consultancy to provide advisory services on trade in goods and services" is a non-recurrent expenditure item for Hong Kong to consult experts on issues relating to our participation in the World Trade Organization (WTO), so that we can better promote trade liberalisation and handle trade disputes.

Trade and Industry Department will, subject to the progress of trade negotiations and practical need in the work of WTO, engage consultants to assess and provide analysis and advice on Hong Kong's participation in trade in services negotiation as well as other terms and rules of WTO agreements, such as anti-dumping issues and dispute settlement cases. This will help Hong Kong formulate negotiation strategies, and protect and promote Hong Kong's interests. Trade negotiations involve specialised legal knowledge and professional consultants can provide us with practical experience and valuable advice in the respective specialised areas.

The expenditures over the years under the item are as follows:

<b>Years</b>	<b>Expenditures (\$'000)</b>
2005-06 to 2011-12	0
2004-05	158
2003-04	196
2002-03	417
2001-02	676
2000-01	616
1999-00	993
1998-99	1,231
1997-98	842
Total	5,129

The revised estimated expenditure of this item for 2012-13 is \$311,000. Due to changes in the circumstances concerning trade negotiation, there is no need for consultancy and the financial provision will not be utilised.

Name in block letters: Kenneth MAK  
Post Title: Director-General of Trade and Industry  
Date: 28.3.2013

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

**CEDB(CIT)328**

Question Serial No.

3270

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:

Paragraph 70(d) of the Budget Speech stated that the Government proposed “to increase the cumulative amount of the grant for Small and Medium Enterprises (SMEs) under the SME Export Marketing Fund (EMF) from \$150,000 to \$200,000, subject to the meeting of relevant additional conditions. The Fund subsidises SMEs' export promotion activities, including trade fairs, exhibitions, business missions and advertising”. However, Budget information indicated that the amount of government grants approved and the applications received in 2012 were \$259 million and 18 825 respectively, which dropped by around \$15 million and 3 109 cases as compared to \$274 million and 21 934 cases in 2011. In this regard, please advise on the following:

- 1) Since the implementation of the enhanced measure from 3 November 2008, how many applicants whose total cumulative grant reached \$150,000? How many applicants whose total cumulative grant amounted to more than \$99,999 but less than \$150,000? How many applicants whose total cumulative grant amounted to more than \$49,999 but less than \$100,000? How many applicants whose total cumulative grant amounted to less than \$50,000?
- 2) The number of new applicants in 2011 and 2012 separately;
- 3) How many applications were not approved in 2011 and 2012? What are the main reasons? and
- 4) Has the Administration considered relaxing the application eligibility while adjusting the grant ceiling in 2013-14? If not, what are the reasons?

Asked by: Hon. TIEN Puk-sun, Michael

Reply:

- 1) The Government raised the grant ceiling of the SME Export Marketing Fund (EMF) to \$150,000 and expanded the scope of activities eligible for funding in November 2008. Since the launching of the EMF in 2001, the number of SME beneficiaries reaching different cumulative grant amounts as at the end of February 2013 are as follows:

<u>Cumulative Grant Amount</u>	<u>Number of SME Beneficiaries</u>
\$150,000	4 727
\$100,000 – \$149,999	4 678
\$50,000 – \$99,999	8 761
<\$50,000	19 159

- 2) In 2011 and 2012, the number of new SME applicants applying for the EMF were 3 020 and 2 879 respectively.
- 3) In 2011 and 2012, the number of unsuccessful applications were 3 296 and 2 263 respectively. The main reason for rejection was that the enterprises could not provide documentary proofs or receipts to verify their eligibility or the claimed expenditure. Hence, such applications could not be further processed.
- 4) At present, all businesses registered in Hong Kong under the Business Registration Ordinance, having substantive business operations in Hong Kong and fulfilling the definition of SMEs<sup>1</sup>, are eligible to apply for the EMF. As the application eligibility of the EMF is already very generous, we do not have any plan to relax the application eligibility at this stage.

Name in block letters: Kenneth MAK  
Post Title: Director-General of Trade and Industry  
Date: 28.3.2013

<sup>1</sup> SMEs refer to any manufacturing business which employs fewer than 100 persons in Hong Kong or any non-manufacturing business which employs fewer than 50 persons in Hong Kong.

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

**CEDB(CIT)329**

Question Serial No.

4300

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:

In the Matters Requiring Special Attention in 2013-14 under Programme (2), it is stated that the Trade and Industry Department will continue to explore further liberalisation with the Mainland authorities under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA). In this regard, would the Administration please advise this Committee on the preliminary content and direction?

Asked by: Hon. WONG Kwok-hing

Reply:

The HKSAR Government is committed to assisting Hong Kong services in accessing the Mainland market through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), by seeking various preferential and facilitative measures for the trade, lowering the entry threshold and relaxing the scope of services, etc. As in the past, the HKSAR Government will, taking into account the needs of the trade, continue to liaise closely and conduct timely consultation with the Mainland to pursue more liberalisation beneficial to their long-term development. Upon the signing of a new Supplement, we will announce the information to the trade and the public as soon as possible.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013



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

**CEDB(CIT)330**

Question Serial No.

4301

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:

Under Programme (2), the Trade and Industry Department (TID) provides various licensing, certification and registration services for commodities, such as textiles and clothing, strategic commodities, rough diamonds, rice, Mainland cereals and grain flour. In this regard, would the department please advise this Committee on the following?

1. Details of the items that were subject to import and export restriction with regard to quality safety in the past five years (i.e. 2008-09 to 2012-13);
2. Details of the items that were subject to restriction/issue of export licences with regard to supply in the past five years (i.e. 2008-09 to 2012-13);
3. Does TID review the flow of goods in Hong Kong market periodically? Please provide the proportion and details of the resources deployed on the reviewing work;
4. Other than powdered formula (i.e. milk powder for infants and young children), has the Administration considered to impose restriction on individual items? Please explain in details.
5. In view of the global shortage of food supply in recent years, there have been a number of incidents where large bulks of food were transported out Hong Kong, which have even affected the live of the public. Does TID have any corresponding measures?

Asked by: Hon. WONG Kwok-hing

Reply:

1. Under the Import and Export Ordinance, the Government, with regard to quality safety and other issues, implements controls on the following articles:

Import and Export Control

- (I) Certain pharmaceutical products and medicines;
- (II) Certain Chinese herbal medicines and proprietary Chinese medicine;
- (III) Pesticide; and

Import Control

- (IV) Certain frozen or chilled meat or poultry.

The above controls have been implemented for a long period of time and are enforced by the Director of Health (items (I) and (II)), Director of Agriculture, Fisheries and Conservation (item (III)) and Director of Food and Environmental Hygiene (item (IV)) respectively under the delegated authority of the Director-General of Trade and Industry (DGTI).

2. TID, with regard to the supply situation, implements controls on the following commodities:
  - Under the Reserved Commodities Ordinance, rice importers are required to keep a certain amount of reserve stock to cater for emergency situations or short term shortages. In addition, unless otherwise stipulated in the Ordinance, import and export of rice must be covered by licences issued by DGTI. The control has been implemented for a long period of time; and
  - Under the Import and Export Ordinance, any person exporting powdered formula must first obtain a licence issued by DGTI unless otherwise stipulated in the Ordinance. The control came into force from March this year.
3. TID's Rice Control Unit will monitor the rice supply situation in the Hong Kong market. Resources involved in the work are not accounted for separately.
4. In the light of Hong Kong's international obligations, TID will, according to the law, expand from time to time the implementation of import and export control on individual items, such as strategic commodities, etc..
5. As far as TID's scope of work is concerned, we keep in view the rice supply situation in the Hong Kong market and regulate the supply through rice reserve stock as well as import and export control as and when necessary. We also encourage rice stockholders to extensively explore other sources of supply from different countries and regions so as to minimise the risk of shortage of supply caused by regional natural disasters or other circumstances.

Name in block letters: Kenneth MAK  
Post Title: Director-General of Trade and Industry  
Date: 28.3.2013

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

**CEDB(CIT)331**

Question Serial No.

4302

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:

Programme (2) indicated that a total of 449 456 strategic commodities licences were issued in 2012. In this regard, would the Administration please advise this Committee on the following:

1. List the major types of goods covered by the strategic commodities licences issued in the past three years (2010, 2011 and 2012);
2. List the relevant types of goods relating to the general public's daily lives (food, clothing, housing and transportation) covered by the strategic commodities licences issued in the past three years (2010, 2011 and 2012);
3. It is mentioned on page 821 that there is a general trend of growth in the trading of strategic commodities in the international market. Please briefly explain.
4. Besides textiles, what commodities relating to strategic trade control is TID reviewing or paying close heed to? What are the reasons for this?

Asked by: Hon. WONG Kwok-hing

Reply:

1. Under the Import and Export (Strategic Commodities) Regulations, strategic commodities which are required to obtain licences issued by the Trade and Industry Department (TID) for import into or export from Hong Kong include munitions items (such as firearms, ammunition, explosives etc) and dual-use goods (i.e. industrial goods capable of being used for military purpose) such as certain chemicals, telecommunications and information security products etc.. In the past three years (2010, 2011 and 2012), over 95% of the goods covered by the strategic commodities licences issued by TID were electronics, telecommunications and information security products which are all common dual-use goods.
2. In the past three years, the strategic commodities licences issued by TID mainly covered dual-use goods and did not involve goods relating to the general public's daily lives (food, clothing, housing and transportation).
3. As far as dual-use goods like electronics, telecommunications and information security products are concerned, because of the ever-increasing demand for such products in the international market and the acceleration of the product development cycle which leads to more new products being put into the market, coupled with Hong Kong's further development into the logistics hub in the region, there is a general trend of growth in the trading of such products.

4. The objective of implementing strategic trade control in Hong Kong is to ensure Hong Kong's continued access to high technology products from overseas so as to cope with and facilitate Hong Kong's economic development. The control list of strategic commodities in Hong Kong is drawn up based on the control lists adopted by various international non-proliferation regimes. TID will update Hong Kong's strategic commodities control list from time to time in order to reflect the latest revisions of the control lists of the various international non-proliferation regimes. Generally speaking, textiles is not classified as strategic commodities.

Name in block letters: Kenneth MAK  
Post Title: Director-General of Trade and Industry  
Date: 28.3.2013

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

**CEDB(CIT)332**

Question Serial No.

1231

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:

What are the administration costs and manpower involved in the operation of SME Export Marketing Fund (EMF)? What is the proportion of administration costs in relation to the amount of approved grants?

Asked by: Hon. WONG Ting-kwong

Reply:

In 2012, the SME Export Marketing Fund has approved a total grant amount of about \$260 million. The relevant manpower and expenditure have been subsumed within the establishment and provision for the Trade and Industry Department. It is difficult to quantify them separately. We therefore cannot provide the proportion of administrative costs in relation to the amount of approved grants.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013

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

**CEDB(CIT)333**

Question Serial No.

1245

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 increase of \$4 million in the provision for 2013–14 is due to the salary provision for filling of posts, as well as the increase in other operating expenses. Meanwhile, there will be a decrease of four posts. What are the posts to be deleted? Will the deletion of these posts have any impact on the work of the coming year? What are the resources involved in the planning of enhancing the liaison between the Mainland authorities and local traders in the future?

Asked by: Hon. WONG Ting-kwong

Reply:

Following the partial liberalisation of the control over the imports and exports of textiles, the number of licences/certificates issued has been on the decrease. Four posts of the clerical grade in the licensing/certification unit will be deleted in 2013-14. The deletion of such posts will not affect the work of the coming year.

The Trade and Industry Department will continue to liaise with the trade through the “Task Force to Support the Processing Trade”, “Hong Kong/Guangdong Expert Group on the Restructuring and Upgrading of the Processing Trade” and other channels to understand their concerns and views, and to maintain close liaison with relevant Mainland authorities at central, provincial and municipal levels on issues of concern to Hong Kong enterprises operating in the Mainland. The relevant work will be absorbed by the existing manpower and resources and no additional expenditure is involved.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013

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

**CEDB(CIT)334**

Question Serial No.

1246

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:

To assist small and medium enterprises (SMEs) in promoting their products more effectively, the amount of grants of the SME Export Marketing Fund (EMF) has been increased. However, figures showed that the number of applications last year (ie, 2012) was 18 825, which was less than the number of 21 943 of the year before (ie, 2011). Last year, the number of SME beneficiaries was 2 879 which was also less than the number of 3 020 of the year before. What are the reasons? Would the Administration examine how to streamline the relevant application procedures and strengthen the publicity work? If yes, what are the details?

Asked by: Hon. WONG Ting-kwong

Reply:

The number of applications for the SME Export Marketing Fund (EMF) fluctuated in the past few years. During 2008 and 2009, the Government increased the grant ceiling of the EMF and expanded the scope of activities eligible for funding. As a result, the number of applications increased significantly in 2009 and 2010 and the number of applications stabilised thereafter. While the number of applications in 2012 (18 825) had dropped by 14% as compared with that in 2011 (21 943), it was still 6% higher than that of 2008 (17 770). Changes in the external economy and export markets would also affect enterprises' plans in exploring new markets. In addition, some applicant enterprises have exhausted the cumulative grant ceiling of \$150,000.

The Government proposes to increase the cumulative grant ceiling for SMEs under the EMF from \$150,000 to \$200,000, subject to the meeting of relevant additional conditions. We believe that some SMEs which have reached the current cumulative grant ceiling will apply for additional grants, and hence the number of applications in 2013 is expected to increase. We will review from time to time the operation of the EMF including its application procedures and publicity work to ensure that adequate support is provided to SMEs.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013

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

**CEDB(CIT)335**

Question Serial No.

4565

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:

One of the aims of the Trade and Industry Department (TID) is to enhance Hong Kong's role as a regional trading and distribution centre. Would TID please advise this Committee the work plans and targets in this aspect in 2013-14? How much is the estimated expenditure involved?

Asked by: Hon. YICK Chi-ming, Frankie

Reply:

To enhance Hong Kong's role as a regional trading and distribution centre, Trade and Industry Department (TID) provides the trade with import and export licensing services, registration services for import/export enterprises, as well as certification of origin services for Hong Kong goods, so as to facilitate trade and build up a sound system on importing/exporting of goods to and from Hong Kong.

For instance, TID implements import and export control on strategic commodities. The objective is to facilitate Hong Kong's access to high technology products and other strategic commodities from overseas so as to enhance Hong Kong's status as a trading centre and a logistic hub. As for textiles, TID implements import and export control which aims at coping with the possible control measures adopted by Hong Kong's major export markets and facilitating the trade to export textiles products to these markets. Besides, the textiles control also serves as an effective deterrence against malpractices in textiles trade and enhances Hong Kong's role as a merchandising hub for overseas buyers. In 2013-14, TID will continue to provide various licensing, certification of origin and registration services. As in the past, TID will explore ways to further optimise the processing procedures and shorten the processing time of various services to facilitate the trade.

The above work is part of the work of trade support and facilitation and the relevant expenditure has been subsumed under the overall estimated expenditure for the work of trade support and facilitation. It is thus difficult to account for separately.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013



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

**CEDB(CIT)336**

Question Serial No.

2187

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:

For SME Export Marketing Fund (EMF):

- (a) In 2012-13, how many enterprises have successfully applied for grants under the EMF? Among them, what is the proportion of manufacturing business in relation to non-manufacturing business? Of the non-manufacturing business, how many enterprises are related to tourism?
- (b) In 2012-13, how many enterprises whose cumulative EMF grant has reached the ceiling of \$150,000? What are the main uses of the grant and their respective proportion?
- (c) In 2012-13, how many enterprises' applications have been rejected? What are the reasons?
- (d) What specific work has the Administration done in the past year to actively promote the EMF to SMEs? Will there be any new initiatives in the coming year to help more enterprises gain knowledge of and benefit from the EMF?

Asked by: Hon. YIU Si-wing

Reply:

- (a) As at the end of February 2013, about 9 000 small and medium enterprises (SMEs) have successfully applied for grants under the SME Export Marketing Fund (EMF) in 2012-13. Among them, manufacturing businesses account for 44.7% and non-manufacturing businesses account for 55.3%, of which 21 enterprises are engaged in tourism, restaurant and hotel business.

- (b) As at the end of February 2013, a total of 863 SMEs have reached the cumulative grant ceiling of \$150,000 under the EMF after receiving grant in 2012-13. These enterprises used the grants received in 2012 -13 for participating in trade exhibitions (85%), placing advertisements on the eligible trade websites (9%) and placing advertisements on trade publications (6%). Since the launching of the fund, a total of 4 727 enterprises have reached the cumulative grant ceiling of \$150,000 under the EMF.
- (c) As at the end of February 2013, a total of 1 748 applications have been rejected in 2012-13. The main reason for rejection was that the enterprises could not provide documentary proofs or receipts to verify their eligibility or the claimed expenditure. Hence, such applications could not be further processed.
- (d) In the past year, the Trade and Industry Department attended a number of seminars organised by SME organisations and trade associations to promote the EMF to SMEs. The department also promoted the EMF to SMEs through different channels, such as TV and radio Announcements of Public Interest, exhibitions, promotional leaflets, website, etc. In the coming year, we will continue to make use of the above channels to promote the fund to more SMEs.

Name in block letters: Kenneth MAK

Post Title: Director-General of Trade and Industry

Date: 28.3.2013

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

**CEDB(CIT)337**

Question Serial No.

3939

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:

- (a) Regarding “managing passenger ferry terminals”, with the first berth of the Kai Tak Cruise Terminal about to be completed, how many additional civil servants, by grade and post, are to be recruited by the Administration for the new cruise terminal, and what is the expenditure involved?
- (b) How many civil service posts does the Administration estimate need to be created after the commissioning of the second berth?

Asked by: Hon. WONG Kwok-kin

Reply:

- (a) The day-to-day operation of the Kai Tak Cruise Terminal will mainly be run by the terminal operator. The Government will provide immigration, customs, quarantine and policing services at the terminal. The Civil Engineering and Development Department (CEDD) is responsible for the maintenance of marine facilities at the terminal, while the landscaped deck on the roof floor of the terminal building is managed by the Leisure and Cultural Services Department (LCSD). The details of the additional civil service posts to be provided by relevant departments for the commissioning of the Kai Tak Cruise Terminal are as follows -

Department	No. of Staff	Total Annual Staff Cost (\$ Million)
Immigration Department (ImmD)	31 (see Note 1)	10.74 (see Note 1)
Customs and Excise Department (C&ED)	51 (see Note 2)	17.77 (see Note 2)
Hong Kong Police Force	11	3.91
Department of Health	1	0.42
CEDD	2	0.63
LCSD	3 (see Note 3)	1.13 (see Note 3)

Note 1 : The Liner Clearance Section of ImmD is responsible for immigration clearance of all cruise liners (including those berthing at the Kai Tak Cruise Terminal). The new posts are provided to cope with the additional workload of that section arising from the commissioning of the Kai Tak Cruise Terminal. ImmD will flexibly deploy the manpower according to where the cruise liners are berthed.

Note 2 : C&ED will set up a dedicated team in 2013-14 for the customs clearance of all cruise liners (including those berthing at the Kai Tak Cruise Terminal). The posts are created to support the set up of this dedicated team. C&ED will flexibly deploy the manpower according to where the cruise liners are berthed.

Note 3 : Managing the Runway Park at Kai Tak is also part of the daily routine duties of one of the staff.

(b) The departments concerned will closely monitor the utilisation rate of the Kai Tak Cruise Terminal, and keep reviewing the manpower requirements to cope with the service needs upon the commissioning of its second berth.

Name in block letters: ANDREW HY WONG  
Post Title: Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)  
Date: 26.3.2013