

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1074/12-13  
(These minutes have been seen  
by the Administration)

Ref : CB1/PL/EDEV/1

**Panel on Economic Development**

**Minutes of meeting**  
**held on Monday, 28 January 2013, at 10:45 am**  
**in Conference Room 1 of the Legislative Council Complex**

**Members present** : Hon Jeffrey LAM Kin-fung, GBS, JP (Chairman)  
Hon CHUNG Kwok-pan (Deputy Chairman)  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon WONG Ting-kwong, SBS, JP  
Hon Ronny TONG Ka-wah, SC  
Dr Hon LEUNG Ka-lau  
Hon Paul TSE Wai-chun, JP  
Hon Albert CHAN Wai-yip  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon James TIEN Pei-chun, GBS, JP  
Hon Frankie YICK Chi-ming  
Hon WU Chi-wai, MH  
Hon YIU Si-wing  
Hon Dennis KWOK  
Hon Christopher CHEUNG Wah-fung, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon SIN Chung-kai, SBS, JP  
Dr Hon Elizabeth QUAT, JP

**Members absent** : Hon CHAN Han-pan  
Hon TANG Ka-piu

**Members attending** : Hon WONG Kwok-hing, MH  
Hon Cyd HO Sau-lan  
Dr Hon LAM Tai-fai, SBS, JP  
Hon CHAN Yuen-han, SBS, JP

**Public officers  
attending**

**: Agenda Item IV**

Mr Gregory SO, GBS, JP  
Secretary for Commerce and Economic  
Development

Mr Philip YUNG, JP  
Commissioner for Tourism

Ms Carol YUEN, JP  
Deputy Secretary for Commerce and  
Economic Development (Commerce and  
Industry)<sup>1</sup>

Mr David WONG  
Deputy Secretary for Commerce and  
Economic Development (Commerce and  
Industry)<sup>2</sup>

Mrs Alice CHEUNG, JP  
Deputy Secretary for Commerce and  
Economic Development (Commerce and  
Industry)<sup>3</sup>

**Agenda Item V**

Professor Anthony CHEUNG  
Secretary for Transport and Housing

Mr Joseph LAI  
Permanent Secretary for Transport and  
Housing (Transport)

Mr YAU Shing-mu  
Under Secretary for Transport and Housing

Mr Francis LIU  
Director of Marine

Mr LEUNG Yu-keung  
Deputy Director-General of Civil Aviation

Mrs Sharon YIP  
Deputy Secretary for Transport and Housing  
(Transport)4

Ms Julina CHAN  
Deputy Secretary for Transport and Housing  
(Transport)5

Mr Daniel CHUNG  
Head (Airport Expansion Project Coordination  
Office)

Agenda Item VI

Mr WONG Kam-sing  
Secretary for the Environment

Ms Christine LOH  
Under Secretary for the Environment

Miss Vivian LAU  
Deputy Secretary for the Environment

**Clerk in attendance :** Mr Derek LO  
Chief Council Secretary (1)5

**Staff in attendance :** Mr Noel SUNG  
Senior Council Secretary (1)5

Ms Michelle NIEN  
Legislative Assistant (1)5

**I Confirmation of minutes of meeting**

(LC Paper No. CB(1)418/12-13 —Minutes of meeting held on  
26 November 2012)

The minutes of the meeting held on 26 November 2012 were confirmed.

**II Information papers issued since last meeting**

(LC Paper No. CB(1)342/12-13(01) —Submission from Taxi & P.L.B Concern Group on prices of domestic liquefied petroleum gas

LC Paper No. CB(1)368/12-13(01) —Press release on Competition Policy Advisory Group publishes 2011-2012 report

LC Paper No. CB(1)371/12-13(01) —Administration's paper on tables and graphs showing the import and retail prices of major oil products from December 2010 to November 2012)

2. Members noted the above papers issued since the last regular meeting.

**III Items for discussion at the next meeting**

(LC Paper No. CB(1)415/12-13(01) —List of outstanding items for discussion

LC Paper No. CB(1)415/12-13(02) —List of follow-up actions)

3. Members agreed to discuss the following items proposed by the Administration at the next meeting scheduled for 25 February 2013:

(a) Hong Kong Tourism Board Work Plan for 2013-2014; and

(b) Update on Hong Kong Disneyland.

*(Post-meeting note: At the request of the Administration and with the concurrence of the Panel Chairman, the item "Basic tariff adjustment of the Hong Kong and China Gas Company Ltd." was added to the agenda of the meeting on 25 February 2013. Members were informed of the arrangement vide LC Paper No. CB(1)576/12-13 issued on 19 February 2013.)*

**IV Briefing by the Secretary for Commerce and Economic Development on relevant policy initiatives in the Chief Executive's 2013 Policy Address**

(LC Paper No. CB(1)415/12-13(03) —Administration's paper on 2013 Policy Address -- Policy Initiatives of the Commerce, Industry and Tourism Branch, Commerce and Economic Development Bureau

LC Paper No. CB(1)490/12-13(01) —Speaking note of the Secretary for Commerce and Economic Development) (*Chinese version only, tabled at the meeting and subsequently issued on 29 January 2013*)

4. The Secretary for Commerce and Economic Development (SCED) briefed members on the policy initiatives of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau (CEDB).

Consumer protection

5. Mr WONG Kwok-hing was concerned as to how the interest of consumers in respect of unfair trade practices would be protected before the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (hereafter referred to as the Amendment Ordinance) was implemented in 2013.

6. SCED remarked that before the enactment of the Amendment Ordinance, the Government would step up the publicity programme to educate the public to avoid falling into the traps of undesirable trade practices which were punishable under the Amendment Ordinance. The Government would finalize guidelines for the relevant trades upon the completion of the public consultation exercise to facilitate the implementation of the Amendment Ordinance.

Admin

7. In response to Mr WONG Kwok-hing's enquiry about the number of complaints received and the enforcement actions taken since the enactment of the Pyramid Schemes Prohibition Ordinance (Cap. 617) in 2012, SCED undertook to provide the information after the meeting.

8. Dr Elizabeth QUAT enquired what measures pointed out that complaints relating to group purchases on the Internet and involving the beauty and body-care industry had shot up recently, and enquired what measures would be taken to tackle the issues. Dr QUAT also enquired about the latest situation regarding the proposal to lay down a mandatory cooling-off period for

consumer protection. Mr WU Chi-wai shared Dr QUAT's concern. Mr WU enquired about the timetable for reviewing the Amendment Ordinance with a view to introducing a cooling-off period for consumers.

9. SCED responded that the Amendment Ordinance had included provisions against undesirable trade practices such as misleading omissions, aggressive practices, bait-and-switch, accepting payment without the intention or ability to supply, etc. and the enforcement agencies would take action against such malpractices upon the enactment of the Amendment Ordinance. SCED said that given that the mandatory cooling-off period was a highly controversial issue which would affect the operation of different trades and industries, the Government would need to consider the subject in more details, including the possible need to further consult the stakeholders on the issue after the implementation of the Amendment Ordinance.

#### Trades and industries

10. The Deputy Chairman expressed concern that the Chief Executive's Policy Address mainly focused on co-operation with the Mainland authorities in promoting economic development. He enquired about the Government's work in liaison with overseas countries in promoting trades and industries for Hong Kong. The Deputy Chairman further enquired about the work of the Economic Development Commission (EDC) in fostering the four pillar industries and the six priority industries.

11. SCED responded that in addition to promotion of economic co-operation with the Mainland which was a major market for Hong Kong's exports, the Government would continue to co-operate with the relevant trades and industries in promoting their business in overseas countries. For instance, the Government would endeavour to enter into more free trade agreements with Hong Kong's trading partners. The Government was also seeking to join the China-ASEAN Free Trade Area so that Hong Kong's goods, services and investment could enter the ASEAN market under more favourable conditions. The EDC would provide advice to the Government on how to broaden Hong Kong's economic base and to enhance Hong Kong's economic growth and development, including how to support sectors which presented opportunities for Hong Kong's further economic growth.

#### Competition Commission

12. Mr YIU Si-wing expressed concern that operators of different trades and industries might not be familiar with the provisions of the Competition Ordinance, which would be implemented shortly, and might inadvertently breach the legislation. He opined that the Government should render

assistance to the concerned parties to comply with the Competition Ordinance. Mr Frankie YICK shared Mr YIU's concern and said that the Government should assist the relevant sectors, in particular the small and medium-sized enterprises (SME) in complying with the Competition Ordinance.

13. SCED remarked that the Competition Ordinance would be implemented by phases, and the Government would step up publicity about the provisions of the Competition Ordinance and consult the stakeholders on the relevant guidelines, with a view to assisting the relevant parties to comply with the Ordinance.

14. Mr Dennis KWOK enquired about whether professional staff, e.g. accountants and economists, would be recruited for the Competition Commission and whether recruitment would be undertaken in overseas countries as well in order to recruit suitable staff for the Commission.

15. SCED remarked that the Competition Commission would be set up upon the enactment of the Competition Ordinance, and professionals such as lawyers, accountants, economists and academics in the relevant fields would be appointed as members. Recruitment of relevant experts from overseas would be considered if and when necessary.

### Tourism

16. Mr SIN Chung-kai enquired about the progress of the review of the operation and regulatory regime for the tourism sector. He further enquired about the working relationship among the future Travel Industry Authority (TIA), the Travel Industry Council (TIC) and the Travel Agents Registry (TAR).

17. The Commissioner for Tourism (CT) remarked that an independent statutory body, namely the TIA, would be established to take over the regulatory functions of the TIC and the work of the TAR. It had been suggested that the TIC would continue to perform its other functions such as the handling of emergency incidents involving travel agents. The Government was discussing with the relevant sectors regarding the detailed legislative proposals for setting up the TIA.

### *Tourist attractions*

18. Dr Elizabeth QUAT remarked that the development of more tourist spots was important for fostering tourism. Dr QUAT enquired what new tourist attractions would be developed to attract more tourists to visit Hong Kong.

19. CT remarked that the Government was discussing with the Hong Kong Disneyland (HKD) and the Ocean Park regarding the development of further attractions upon the completion of their current expansion programmes. In addition to the development of hard-ware, the Government would liaise with the relevant parties to further develop the soft-ware of the tourist spots, e.g. the development of a Cantonese opera programme for tourists at the Yaumatei Theatre, and the development of green and cultural tours for visitors.

20. Mr YIU Si-wing opined that in addition to the promotion of the existing tourist attractions, more efforts should be put into the promotion of the outlying islands as tourist attraction spots. Mr YIU enquired about measures to promote the outlying islands as tourist spots, e.g. the provision of ancillary facilities.

21. CT said that the Government had promoted the outlying islands for visitors, mainly through promoting the traditional festivals and events held on the outlying islands, e.g. the Bun Festival in Cheung Chau. As the Hong Kong-Zhuhai-Macao Bridge would be completed in the near future which would lead to more visitor arrivals, the Government and the Hong Kong Tourism Board were looking into the possibility of developing more tourist spots, hotels and venues for visitors, in particular visitors for conventions and exhibitions. Co-operation among different tourist attractions would also be enhanced.

22. Mr Michael TIEN enquired why the proposal of setting up a museum for Mr Bruce LEE had been called off.

23. SCED responded that in 2012, the Finance Committee had approved funding for the Government to organize an exhibition concerning Mr Bruce LEE, which would start this year and open to all visitors in the next five years. SCED said that the Government had made great efforts in negotiating with the landlord concerned to turn the former residence of Mr LEE into a museum but no consensus could be reached.

*Retail facilities for tourists*

24. Mr Paul TSE was concerned that the Chief Executive's Policy Address did not address the problem of insufficient retail facilities to cater for the need of the increasing number of visitors. Mr TSE enquired about the measures to be taken by the Government to meet the demand for more retail outlets from visitors in order to prevent conflicts between the local people and the visitors in the purchase of certain products, e.g. baby milk powder. Mr WU Chi-wai shared Mr TSE's concern and said that similar to the practice in many overseas



countries, consideration should be given to setting up retail outlets in the border areas to meet the demand of visitors, in particular those from the Mainland.

25. SCED remarked that CEDB was responsible for the promotion of tourism, including initiatives to facilitate the development of attractions and facilities, and to foster hospitality to the visitors. The provision of land for development of more retail facilities was outside the purview of the Bureau. The Government would consider any concrete proposals from Members regarding the provision of additional retail facilities.

*Impact of tourists on local residents*

26. Dr LAM Tai-fai expressed disappointment that the Government's economic policy was skewed towards the financial and real estate sectors. He opined that the Government had not done enough to foster the development of local industries. Dr LAM was concerned that most of the tourist attractions were overwhelmingly used by visitors. He enquired what tourist spots would be developed to cater for the need of local people. Mr Frankie YICK and Mr Albert CHAN echoed Dr LAM's concern. Mr CHAN remarked that many tourist facilities were developed at the expense of the local people and he expressed concern on the impact of the increasing number of visitors from the Mainland on the daily life of local people.

27. SCED remarked that CEDB's policy initiatives focused mainly on promotion of tourism. The provision of recreation facilities would more appropriately be dealt with at the Panel on Home Affairs. SCED added that the tourist attractions were open to both local people and visitors, and local people could also benefit from the promotion of tourist facilities such as green tours. SCED said that an assessment of Hong Kong's capability to deal with the increasing number of visitors was being conducted by the Government and the outcome of the assessment would be reflected to the relevant authorities in the Mainland.

Cruise terminal at Kai Tak

28. Miss CHAN Yuen-han enquired whether a heliport and on-shore power would be provided at the new cruise terminal at Kai Tak.

29. CT remarked that the international standards for provision of on-shore power for cruise vessels were only developed in mid-2012, and a study on the technical aspects of providing on-shore power at the new cruise terminal would have to be conducted. The Government would seek funding for provision of the on-shore power facilities from the Legislative Council in due course. CT added that a site had been earmarked for use as a heliport in the Kai Tak

development (KTD) project, and further details of the KTD project could be obtained from the relevant Government bureau.

30. Mr WONG Ting-kwong enquired whether there was a plan to link up the HKD and the cruise terminal at Kai Tak by ferry. Mr WONG also enquired whether the cruise terminal would be developed as a transit port, in addition to being a home-port.

31. CT remarked that the Government would aim to promote the cruise terminal as a regional hub so that as many cruise vessels as possible would berth at the terminal. The Government and the terminal operator were studying different means to connect the cruise terminal with other tourist spots, including the possibility of providing ferry services at the cruise terminal.

**V Briefing by the Secretary for Transport and Housing on relevant policy initiatives in the Chief Executive's 2013 Policy Address**

(LC Paper No. CB(1)415/12-13(04) —Administration's paper on 2013 Policy Address -- Policy Initiatives of the Commerce, Industry and Tourism Branch, Commerce and Economic Development Bureau

LC Paper No. CB(1)490/12-13(02) —Speaking note of the Secretary (*Chinese version only*, issued on 29 January 2013) for Transport and Housing Development)

32. The Secretary for Transport and Housing (STH) briefed members on the policy initiatives of the Transport and Housing Bureau (THB).

Airport development

33. In response to Mr Frankie YICK's concern regarding the need for early completion of the third runway of the airport, STH remarked that the Government and the Airport Authority had to conduct assessments including those on environmental impact relating to the development of the third runway, and consult the relevant parties before deciding on whether the third runway project should be taken forward. Subject to the assessment results, the Government would aim to build the third runway as soon as practicable.

34. Mr YIU Si-wing expressed concern that compared with the construction of the new Airport which took seven years to complete, the proposed third runway would take about ten years to be built. Mr YIU was also concerned that the use of the new runway would be saturated by 2030, only seven years

after the commencement of its operation. Mr Michael TIEN pointed out that the noise nuisance caused by the third runway was a major cause for concern, in particular for residents of Ma Wan. Given that the use of the runways in the airport would reach their full capacity in 2030, Mr TIEN asked whether consideration would be given to building a separate runway for cargo flights in a separate location. The Chairman shared Mr YIU and Mr TIEN's concern and said that consideration could be given to restricting certain types of aeroplanes in using the airport during night time so as to control the noise level. He said that a long term development plan had to be drawn up for the airport in order to meet the future needs.

35. STH remarked that given the difference in the political and economic situations as well as statutory requirements in the 1990s and recent years, the planning and building of the third runway would take more time to complete. STH supplemented that apart from construction of the third runway, the Government and the Airport Authority would continue to enhance the supporting facilities of the airport in order to foster Hong Kong's status as an international and regional aviation centre. It was a regular practice for the Airport Authority to update the future development plan of the airport, taking into account the future demand of air passengers and cargo services and the need to maintain the Hong Kong International Airport's competitiveness. STH said that the Airport Authority was reviewing the noise impact of the third runway, including its impact on Ma Wan residents, and would draw up measures to minimize the noise of night operations of the airport, such as incentives for airlines to use more advanced cargo planes and imposition of higher charges to control the types of flights which might use the airport at night. STH stressed that the Government and the Airport Authority would continue to update the facilities of the airport in order to maintain its competitiveness.

36. The Chairman was concerned that with the further expansion of the airport, it might prolong the waiting time for passengers to go through the immigration and customs checks.

37. STH remarked that the Airport Authority was very concerned about the waiting time for passengers and had been liaising with the Security Bureau and the Immigration Department with a view to shortening the waiting time for passengers.

#### Kwai Tsing container basin

38. In response to Mr Frankie YICK's enquiry as to whether the dredging of the Kwai Tsing container basin could be expedited, STH said that a proposal would be presented to the Panel in March 2013 and efforts would be made to

complete the work as soon as possible.

Shipping development

39. Mr Frankie YICK expressed concern about the development of Hong Kong as a shipping centre, in view of the competition from the neighbouring cities such as Singapore and Shanghai. Mr YICK was also concerned about the manpower development for the container terminals, in particular the manpower requirement of river trade vessels.

40. STH responded that the Government and the relevant shipping operators continued to work closely together with a view to maintaining Hong Kong's competitiveness as a shipping centre, including the training of personnel to meet the demand of the shipping industry and the container terminals.

Logistics development

41. Mr Michael TIEN enquired about the present situation of the proposal to develop a logistics park in Lantau Island which was first raised in 2004.

42. STH remarked that the stage two public engagement for "Enhancing Land Supply Strategy" to be launched would cover the proposed reclamation at Siu Ho Wan with logistics as one of the uses to be considered. Comments from the public would be welcome. The possibility of setting up a logistics centre in Lantau Island would be subject to a series of assessment studies such as the environmental impact of the proposal.

**VI Briefing by the Secretary for the Environment on relevant policy initiatives in the Chief Executive's 2013 Policy Address**

(LC Paper No. CB(1)415/12-13(05) —Administration's paper on 2013  
Policy Address --  
Policy Initiatives of the  
Environment Bureau: Energy

LC Paper No. CB(1)490/12-13(03) —Speaking note of the Secretary  
(*Chinese version only*, issued on 29 for the Environment)  
January 2013)

43. The Secretary for Environment (SEN) briefed members on the policy initiatives of the Environment Bureau (ENB).

Public consultation for formulating policy on the electricity market

44. Dr Elizabeth QUAT remarked that the public was very concerned about the mid-term review of the Scheme of Control Agreements (SCAs) in 2013 and its impact on electricity tariff in the coming years. Dr QUAT opined that the Panel should conduct a public hearing regarding the mid-term review. Mr SIN Chung-kai concurred with Dr QUAT that a public hearing should be held to receive the views of the public on the issue. Mr SIN asked whether ENB would allow the public to participate in the process for formulation of the future regulatory framework for the electricity supply market.

45. SEN responded that in formulating major policies which had a significant impact on the public, the Government would usually conduct public consultation to listen to the views of the stakeholders concerned and the public. ENB would consider the best ways to gauge the public' views on the review of the SCAs. The Chairman advised that the issue on whether the Panel should hold a public hearing on the review of the SCAs would be dealt with later at the meeting.

46. Ms Cyd HO opined that in view of the wide public interest involved in regulating the electricity supply market, consideration should be given to forming a steering committee, comprising representatives of scholars, environment experts, representatives of the various sectors and the public, etc. to formulate the policy and monitor the regulation of the electricity supply market.

47. SEN pointed out that the Energy Advisory Committee, which comprised scholars and experts in energy supply, had been established to advise the Government on, among other things, issues relating to energy supply for generation of electricity.

48. Noting that the Government would conduct the mid- and long term review of the SCAs, the fuel mix for generation of electricity, and the five-year Development Plans of the two power companies, Dr Fernando CHEUNG enquired about the timetable for the reviews and whether and how the public could participate in the reviews and get access to the relevant information, including the forecast of future electricity supply, and the Government's proposals on reviewing the regulatory regime for the electricity market.

49. SEN remarked that the Government considered it important to gauge the public's views in reviewing the regulatory regime for the electricity supply market. More recently, two public forums were organized in end 2012 to hear the views of the concerned parties. The Government would take into account Dr CHEUNG's concern in conducting the reviews of the SCAs and the

five-year Development Plans of the two power companies.

Energy saving

50. Mr WU Chi-wai enquired what concrete measures would be taken to encourage energy saving, which in turn would help reduce the pressure on tariff increase.

51. SEN remarked that in addition to the existing measures for encouraging energy saving, the Government would promote green building which would help achieve energy saving at the macro level. The Government would engage the relevant stakeholders in the process.

Fuel mix

52. Mr Michael TIEN was concerned that based on the information provided by the power companies, electricity tariff would shoot up by about 40% if the power companies adopted a fuel mix of 20:30:50 per cent for use of coal, nuclear energy and natural gas for generation of electricity in order to meet the emission cap to be imposed in 2015. Mr TIEN enquired what measures would be taken to mitigate the substantial increase in electricity tariff as a result of the change in fuel mix, and whether the Government would consider increasing the amount of electricity purchased from the Mainland.

53. The Under Secretary for the Environment remarked that the Government was reviewing all the issues relating to the SCAs and the future regulatory framework for the electricity market, including the issues raised by members such as the future fuel mix for power generation. The Government would brief the Panel on the outcome of its reviews in due course. She assured members that during the formulation of the future regulatory regime, the public would be consulted.

54. The Chairman remarked that the Government should adopt an open stance in gauging the views of the public on the regulatory framework for the electricity supply market.

**VII Any other business**

Public hearing to receive views on Scheme of Control Agreements

55. The Chairman remarked that he had received requests from a number of Panel members and the Greenpeace to hold a public hearing to receive the views of the public on the mid-term review of the SCAs with the two power

companies, jointly with the Panel on Environmental Affairs. He suggested that as the review of the SCAs was within the purview of the Panel, the Panel should hold the public hearing and invite members of the Panel on Environmental Affairs to join the discussion. Ms Cyd HO, as the Chairman of the Panel on Environmental Affairs, suggested that all Council Members should be invited to the join the discussion. Members agreed to the arrangement.

*(Post-meeting note: A public hearing on the mid-term review of the SCAs was held at the Panel meeting on 25 February 2013.)*

56. There being no other business, the meeting was adjourned at 12:40 pm.

Council Business Division 1  
Legislative Council Secretariat  
21 May 2013