

Legislative Council Panel on Economic Development

2013 Policy Address

Policy Initiatives of the Commerce, Industry and Tourism Branch, Commerce and Economic Development Bureau

Our Vision

To encourage industries to expand and thrive and to provide better employment opportunities, we need to diversify our economy and achieve sustainable growth. Hong Kong is one of the freest economies in the world. While respecting the functions of a market economy, the Administration should be appropriately proactive, and take a more positive role to facilitate the long term economic development of Hong Kong.

New Initiatives

Tourism

Facilitate the Ocean Park for the implementation of the Tai Shue Wan development and hotel projects

2. The Master Redevelopment Plan of the Ocean Park has been completed. To further enhance its overall appeal and the capacity to receive tourists, the Ocean Park is preparing for the development of the Tai Shue Wan area into a new integrated theme zone with the main focus on an all-weather indoor cum outdoor waterpark. We are examining the proposal submitted by the Park in detail to map out how to facilitate the Park in taking forward the project.

3. In addition, the Ocean Park is planning to build two hotels within the Park. Of them, the re-tender of the Ocean Hotel was launched earlier this month. We will continue to work closely with the Ocean Park to ensure the smooth implementation of its hotel development.

Discuss with the Hong Kong Disneyland the plan for next phase of expansion with new attractions and hotels within the existing area of the park after completing the current expansion

4. The current expansion of the Hong Kong Disneyland (HKD) is progressing well. After the opening of Grizzly Gulch last July, Mystic Point will be open this year, marking the full completion of the expansion at this stage. To further enhance its appeal to visitors and meet the demand for hotel rooms, HKD is considering a detailed proposal on the next phase of expansion within its existing site, as part of the plans for new attractions and hotel development in the coming few years. HKD is carrying out the relevant design works. We hope to report to the Panel the detailed proposal and financial arrangement within this year.

On-going Initiatives

Competition Policy

Establishing the Competition Commission and Competition Tribunal for the implementation of the Competition Ordinance

5. The Competition Ordinance (the Ordinance) was passed by the the Legislative Council (LegCo) in June 2012. The enactment of the Ordinance is a major milestone in the development of competition policy in Hong Kong, signifying the determination of the Government in maintaining fair and free competition in the market. 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. We are now spearheading the establishment of the Competition Commission (the Commission) and the Competition Tribunal (the Tribunal). To this end, the Administration tabled before LegCo the Competition Ordinance (Commencement) Notice 2012 on 28 November 2012 in order to commence the provisions relating to the Commission and the Tribunal on 18 January 2013 and 1 August 2013 respectively. Once

established, the Commission will start conducting publicity and education programmes to promote public understanding of the Ordinance, as well as preparing guidelines related to the enforcement of the Competition Ordinance and conducting public consultation on these guidelines. At the same time, the Judiciary will also prepare subsidiary legislation relating to the Tribunal proceedings and make other necessary arrangements to prepare for the full operation of the Tribunal. The Ordinance will be brought into full operation when the relevant preparatory work is completed.

The Pyramid Schemes Prohibition Ordinance

Full implementation of the Pyramid Schemes Prohibition Ordinance with the objective of enabling more effective enforcement over objectionable, deceptive pyramid schemes.

6. We introduced the Pyramid Schemes Prohibition Bill into LegCo in June 2011, which seeks to improve the provisions of the then Pyramid Selling Prohibition Ordinance, adopt a clearer definition of “pyramid scheme”, expand the regulatory coverage and uplift penalties. LegCo passed the Bill in December 2011. The Pyramid Schemes Prohibition Ordinance has commenced operation since January 2012. We have launched publicity and education programmes on the Ordinance. The Police as the law enforcement agency has maintained a close watch of possible pyramid schemes in the market and will take actions in the event of any non-compliance with the Ordinance.

Consumer Protection

Preparing for the implementation of the legislative amendments to enhance protection for consumers against unfair trade practices. We will continue publicity and education efforts.

7. LegCo enacted the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (Ord No. 25 of 2012) (“Amendment Ordinance”) in July 2012, which criminalises some commonly seen unfair trade practices (including false trade descriptions of services, misleading omissions, aggressive commercial practices, bait advertising, bait-and-switch, and wrongly accepting payment) and introduces a civil compliance-based mechanism to encourage compliance by traders and to stop identified non-compliant practices expeditiously.

8. To facilitate compliance of the Amendment Ordinance and enhance transparency, the Customs and Excise Department and the Office of the Communications Authority as the law enforcement agencies have in December 2012 published the draft Enforcement Guidelines, which state the manner in which they will exercise their powers under the Amendment Ordinance, for public consultation. We will take into account the views received in finalising the Guidelines for publication before commencing the Amendment Ordinance.

9. We believe that the new regime will effectively combat the most common unfair trade practices. We are making arrangements to bring the Amendment Ordinance into operation as soon as possible and keep in view its effectiveness in tackling unfair trade practices that may be deployed in consumer transactions.

10. We are also collaborating with the Customs and Exercise Department, the Office of the Communications Authority and the Consumer Council to roll out publicity and education programmes for enhancing the awareness and knowledge of both traders and consumers of the requirements as well as their rights and obligations under the Amendment Ordinance.

Aviation Weather Services

Continuing to enhance weather services for the Hong Kong International Airport and uphold aviation safety, including the replacement/upgrading of the Hong Kong Observatory’s windshear radar and other meteorological equipment.

11. Aviation safety relies on quality weather services. With funding approved by LegCo, the Hong Kong Observatory is working in full swing to replace and upgrade the meteorological facilities serving the Airport. This includes the procurement of a new Terminal Doppler Weather Radar and construction of a station for housing the new radar, for commissioning within 2014 for the continued provision of reliable windshear warnings.

Tourism

Preparing for the establishment of the proposed Travel Industry Authority and the implementation of the new regulatory framework of the tourism sector

12. To promote the healthy and sustainable development of the tourism industry, the Government reviewed the operation and regulatory framework of the tourism sector in 2011 and decided to set up an independent statutory body called the “Travel Industry Authority” (TIA) to take up the overall regulation of travel agents, tourist guides and tour escorts. We have commenced detailed discussions with the travel trade on the arrangements for establishing the TIA, including the threshold for setting up travel business; the licensing arrangements for travel agents, tourist guides and tour escorts; and the future non-regulatory public functions of the Travel Industry Council of Hong Kong, etc. We plan to report to the Panel on the progress of the discussions in mid-2013.

13. In the meantime, we are drafting the new legislation for the establishment of the TIA. It is expected that the draft legislation can be introduced into LegCo around mid-2014.

Continuing the development of the Kai Tak Cruise Terminal to ensure its commissioning as scheduled, as well as supporting Hong Kong Tourism Board (HKTB)’s promotion on cruise tourism; and continuing to work closely with the Advisory Committee on Cruise Industry and the trade to develop Hong Kong into a leading cruise hub in the region

14. The construction of the Kai Tak Cruise Terminal is forging well ahead. The concrete platform of the first berth and the main structure of the terminal building have been completed. The contractor is now erecting the façade for the terminal building as well as carrying out the works for building services, electrical and mechanical equipment and the internal finishing inside the building. It remains our objective to commission the terminal building and the first berth in mid-2013. To tie in with the commissioning of the terminal, the Government will provide an access road to connect the terminal with Cheung Yip Street at Kowloon Bay. The Transport Department is also planning for the provision of public transport services to the Kai Tak Cruise Terminal. We plan to announce the commissioning date and the related arrangements in the second quarter of this year.

15. The day-to-day operation and berthing arrangements of the Kai Tak Cruise Terminal will be undertaken by a terminal operator. We completed the tender process for the tenancy of operating and managing the terminal in March 2012 and Worldwide Cruise Terminals Consortium (WCT) was awarded the tenancy. WCT has already embarked on the preparations for the operation upon its possession of the cruise terminal, with a view to providing high quality services to arriving cruise ships and visitors.

16. In addition, we will continue to work with the HKTB to step up the promotion of cruise tourism. The HKTB will organise a forum later this month at which the executives and strategic itinerary planners of the major cruise lines, representatives from neighbouring ports as well as the Hong Kong travel trade are invited to attend and discuss issues relating to itinerary development and regional co-operation, with a view to making good use of the potential for developing cruise tourism in the region. Moreover, to reinforce Hong Kong's position as a regional cruise hub, the HKTB will continue to work closely with the travel trade to provide a variety of shore excursion programmes so as to attract more cruise visitors coming to Hong Kong.

Supporting the HKTB in continuing its promotion work in target source markets and launching a hospitality campaign

17. We will continue to support the promotion work of the HKTB in 20 target source markets. In order to maintain a diverse portfolio of visitors, the HKTB will continue to allocate 70% of its market promotion resources in the international markets. The remaining 30% will be allocated to the Mainland market, which will mainly be deployed to regions beyond Southern China. Notwithstanding the changing macro environment resulting in the different performances of new markets in 2012, judging from their long-term economic growth and flight capacities, these new markets still present considerable potential in tourism.

18. We also strive for increasing visitors' satisfaction with a view to ensuring that they really enjoy their experience in Hong Kong. In addition to the continued promotion of the city's calendar of mega events and activities throughout the year, the HKTB will launch the "Happy@HongKong" campaign this year locally as well as in target source markets for further promotion of our hospitable service culture, so as to enhance the image of our tourism industry.

Supporting HKTB's dedicated office "Meetings and Exhibitions Hong Kong" in strengthening MICE (meetings, incentive travels, conventions and exhibitions) promotion and continuing partnership with our local and overseas networks to attract more major international MICE events to Hong Kong

19. The HKTB established the "Meetings and Exhibitions Hong Kong" (MEHK) office in 2008 to step up the promotion of Hong Kong as a premier MICE destination. Last year, the MEHK provided support to over 1 800 MICE events. Amongst them, over 900 events chosen to stage in Hong Kong were secured through MEHK's proactive lobbying efforts or facilitated by the MEHK. Some major events secured by the MEHK this year include "USANA Asia Pacific Convention", "E-Commerce Asia" and "SIGGRAPH Asia".

20. MEHK has also linked up various major attractions and venue operators in Lantau to jointly launch a large-scale publicity campaign since 2011 to strengthen the image of Lantau as a MICE destination. The MEHK is in discussion with various partners of Lantau to further promulgate this campaign to explore more business opportunities.

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