

**Head 96 — GOVERNMENT SECRETARIAT:  
OVERSEAS ECONOMIC AND TRADE OFFICES**

**Controlling officer:** the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) will account for expenditure under this Head.

**Estimate 2014–15** ..... **\$333.5m**

**Establishment ceiling 2014–15** (notional annual mid-point salary value) representing an estimated 131 non-directorate posts as at 31 March 2014 rising by one post to 132 posts as at 31 March 2015 .... **\$72.9m**

In addition, there will be an estimated 18 directorate posts as at 31 March 2014 and as at 31 March 2015.

**Controlling Officer's Report**

**Programmes**

**Programme (1) Commercial Relations**  
**Programme (2) Public Relations**  
**Programme (3) Investment Promotion**

These programmes contribute to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).

**Detail**

**Programme (1): Commercial Relations**

	2012–13 (Actual)	2013–14 (Original)	2013–14 (Revised)	<b>2014–15 (Estimate)</b>
Financial provision (\$m)	146.9	157.7	156.1 (–1.0%)	<b>161.0</b> (+3.1%)
				(or +2.1% on 2013–14 Original)

**Aim**

2 The aim is to represent and promote Hong Kong's trading and commercial interests outside Hong Kong.

**Brief Description**

3 The overseas Economic and Trade Offices (ETOs) in Brussels, Geneva, Berlin, London, New York, San Francisco, Washington, Singapore, Sydney, Tokyo and Toronto identify, develop and cultivate contacts with host governments, represent Hong Kong at international trade organisations, and maintain liaison with other governments and organisations in order to further Hong Kong's trade and economic interests. They monitor and report on developments which are likely to affect such interests. They lobby and negotiate with their hosts and other governments on specific trade and economic issues and assist officers from Hong Kong in negotiating trade agreements and in promoting the business opportunities arising from the Mainland and Hong Kong Closer Economic Partnership Arrangement.

4 The key performance measures in respect of commercial relations are:

**Indicators**

	2012 (Actual)	2013 (Actual)	<b>2014 (Estimate)</b>
meetings on trade-related matters attended.....	3 646	3 915	<b>3 640</b>
visits to host governments and trade organisations.....	1 325	1 363	<b>1 300</b>
seminars, exhibitions and workshops			
organised .....	221	244	<b>230</b>
participated.....	789	832	<b>830</b>
public speeches given.....	436	455	<b>430</b>
media interviews/briefings given .....	755	726	<b>720</b>
circulars/newsletters/press releases issued.....	864	863	<b>850</b>

**Matters Requiring Special Attention in 2014–15**

5 During 2014–15, the overseas ETOs will continue to promote Hong Kong's trade and commercial interests, including countering protectionism in Hong Kong's major markets, as well as representing Hong Kong and providing support to the Commerce and Economic Development Bureau and as appropriate, its family of departments on issues of special interests on the bilateral and multilateral fronts.

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**Programme (2): Public Relations**

	2012–13 (Actual)	2013–14 (Original)	2013–14 (Revised)	<b>2014–15 (Estimate)</b>
Financial provision (\$m)	109.4	115.0	113.8 (–1.0%)	<b>118.0</b> (+3.7%)
				(or +2.6% on 2013–14 Original)

**Aim**

6 The aim is to promote Hong Kong as a reliable trading partner and a premier location for doing business.

**Brief Description**

7 The overseas ETOs monitor and report on reactions to events in Hong Kong. They organise publicity and public relations activities for Hong Kong in the host countries or regions under their purview, liaise with Hong Kong enterprises and people, and provide a comprehensive information and enquiry service about Hong Kong.

8 The key performance measures in respect of public relations are:

**Indicators**

	2012 (Actual)	2013 (Actual)	<b>2014 (Estimate)</b>
call on senior government officials/organisations.....	1 728	1 778	<b>1 730</b>
public relations functions/events			
organised .....	710	718	<b>700</b>
participated.....	1 334	1 382	<b>1 340</b>
newsletters, pamphlets, press releases issued .....	1 327	1 431	<b>1 310</b>
no. of visitors assisted.....	2 569	2 645	<b>2 470</b>
public speeches given.....	472	502	<b>470</b>
media interviews/briefings given .....	834	805	<b>800</b>
enquiries handled .....	36 577	32 733	<b>32 790</b>

**Matters Requiring Special Attention in 2014–15**

9 During 2014–15, the overseas ETOs will continue to sustain and step up publicity and public relations efforts in North America, Europe, Australia, New Zealand, Japan, South Korea and the Association of Southeast Asian Nations countries. They will also strengthen collaboration with other Hong Kong overseas agencies in developing strategies for city branding and publicity.

**Programme (3): Investment Promotion**

	2012–13 (Actual)	2013–14 (Original)	2013–14 (Revised)	<b>2014–15 (Estimate)</b>
Financial provision (\$m)	50.1	52.0	52.0 (—)	<b>54.5</b> (+4.8%)
				(or +4.8% on 2013–14 Original)

**Aim**

10 The aim is to attract foreign direct investment to Hong Kong and to promote Hong Kong's many advantages as a regional hub and the preferred business location in Asia.

**Brief Description**

11 In close collaboration with Invest Hong Kong, the overseas ETOs promote the attraction of Hong Kong as an international business centre and provide assistance to ensure that the companies have all the support they need to establish and expand operations in Hong Kong.

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12 The key performance measures in respect of investment promotion are:

*Indicators*

	2012 (Actual)	2013 (Actual)	2014 (Estimate)
new projects generated#.....	322	341	372
projects pursued@.....	699	—	—
projects completed^.....	173	179	186

# This indicator shows the number of new projects generated in a year with the potential of becoming completed projects in the coming 18 months. It is a more relevant indicator reflecting the investment promotion efforts in a particular year, discounting projects carried forward from previous years. This indicator has replaced the indicator “project pursued” as from 2013.

@ This indicator has been replaced by the indicator “new projects generated” as from 2013.

^ A completed project refers to an investment project resulting in an overseas company setting up or expanding its business in Hong Kong.

*Matters Requiring Special Attention in 2014–15*

13 During 2014–15, the overseas ETOs, except the Geneva ETO, will continue to work closely with Invest Hong Kong to step up their efforts in attracting overseas companies to set up and expand their operations in Hong Kong and access opportunities on the Mainland and elsewhere in Asia.

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**ANALYSIS OF FINANCIAL PROVISION**

	2012-13 (Actual) (\$m)	2013-14 (Original) (\$m)	2013-14 (Revised) (\$m)	2014-15 (Estimate) (\$m)
<b>Programme</b>				
(1) Commercial Relations .....	146.9	157.7	156.1	<b>161.0</b>
(2) Public Relations .....	109.4	115.0	113.8	<b>118.0</b>
(3) Investment Promotion .....	50.1	52.0	52.0	<b>54.5</b>
	306.4	324.7	321.9 (-0.9%)	<b>333.5</b> <b>(+3.6%)</b>
				<b>(or +2.7% on 2013-14 Original)</b>

**Analysis of Financial and Staffing Provision**

**Programme (1)**

Provision for 2014-15 is \$4.9 million (3.1%) higher than the revised estimate for 2013-14. This is mainly due to increased salary and allowance for locally engaged staff, increased salary and allowance provisions for filling of vacancies and staff changes, increased personnel related expenses and operating expenses.

**Programme (2)**

Provision for 2014-15 is \$4.2 million (3.7%) higher than the revised estimate for 2013-14. The reasons that account for the increase under Programme (1) above also apply here. In addition, one post will be created in 2014-15.

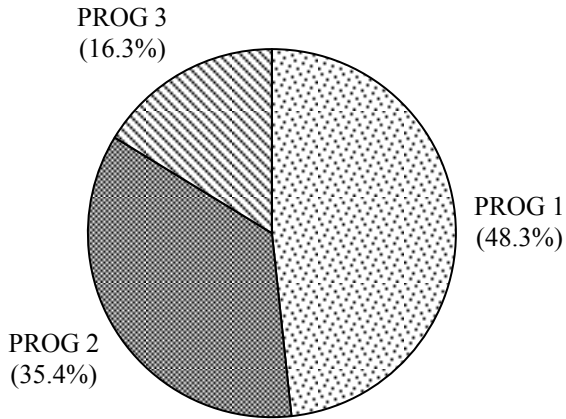
**Programme (3)**

Provision for 2014-15 is \$2.5 million (4.8%) higher than the revised estimate for 2013-14. This is mainly due to increased salary and allowance for locally engaged staff, increased salary and allowance provisions for filling of vacancies and staff changes, and the requirement to fund the locally engaged non-civil service investment promotion staff in the overseas ETOs in Singapore, Sydney and Toronto by Head 96 – Government Secretariat: Overseas Economic and Trade Offices from 2014-15 onwards. Head 79 – Invest Hong Kong will cease to fund these staff as from 2014-15.

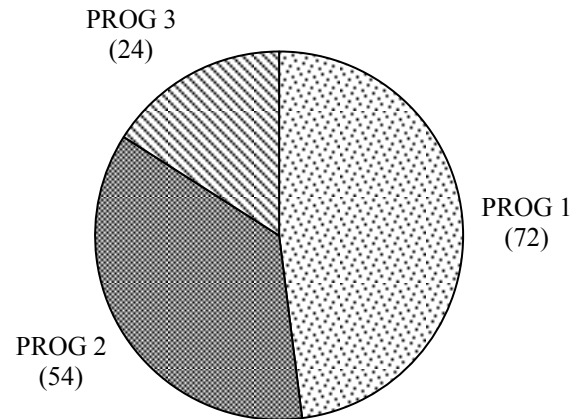
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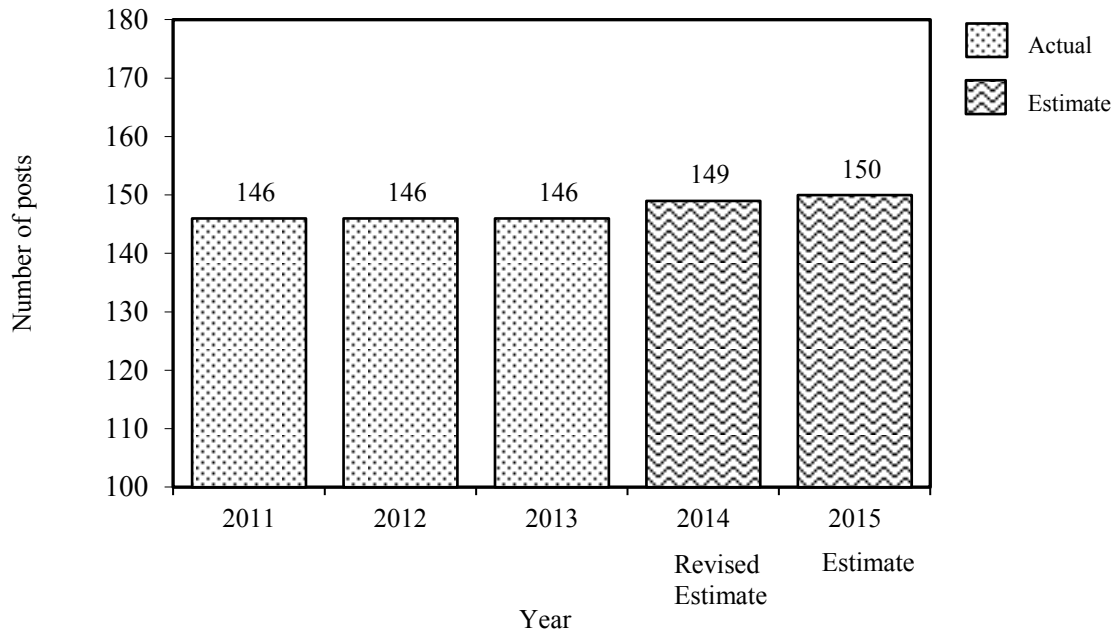
*Allocation of provision  
to programmes  
(2014-15)*



*Staff by programme  
(as at 31 March 2015)*



*Changes in the size of the establishment  
(as at 31 March)*



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Sub-head (Code)	Actual expenditure 2012–13	Approved estimate 2013–14	Revised estimate 2013–14	<b>Estimate 2014–15</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	305,977	324,678	321,865	<b>333,479</b>
	Total, Recurrent.....	305,977	324,678	321,865	<b>333,479</b>
	Total, Operating Account .....	305,977	324,678	321,865	<b>333,479</b>
<b>Capital Account</b>					
Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	378	—	—	—
	Total, Plant, Equipment and Works.....	378	—	—	—
	Total, Capital Account.....	378	—	—	—
	Total Expenditure .....	306,355	324,678	321,865	<b>333,479</b>

## Head 96 — GOVERNMENT SECRETARIAT: OVERSEAS ECONOMIC AND TRADE OFFICES

### Details of Expenditure by Subhead

The estimate of the amount required in 2014–15 for the salaries and expenses of the overseas Economic and Trade Offices (ETOs) is \$333,479,000. This represents an increase of \$11,614,000 over the revised estimate for 2013–14 and of \$27,124,000 over actual expenditure in 2012–13.

#### *Operating Account*

#### Recurrent

2 It is operationally necessary for the overseas ETOs to make certain payments in the currencies of their host economies. Expenditure in the following currencies will be charged to the appropriate subheads at the exchange rates set out below —

Australian Dollar	1=HK\$6.98176
Canadian Dollar	1=HK\$7.24000
Euro	1=HK\$10.61000
Japanese Yen	1=HK\$0.074600
Pound Sterling	1=HK\$12.71000
Singapore Dollar	1=HK\$6.15000
Swiss Franc	1=HK\$8.67573

Expenditure incurred in the US Dollar will be charged to the appropriate subheads at a fixed exchange rate of US\$1=HK\$7.8.

3 Provision of \$333,479,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the overseas ETOs.

4 The establishment as at 31 March 2014 will be 149 permanent posts. Of these posts, 104 are filled by staff engaged locally by the overseas ETOs. It is expected there will be an increase of one post in 2014–15. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2014–15, but the notional annual mid-point salary value of all such posts must not exceed \$72,925,000.

5 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2012–13 (Actual) (\$'000)	2013–14 (Original) (\$'000)	2013–14 (Revised) (\$'000)	2014–15 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	108,277	118,701	117,312	121,663
- Allowances.....	36,387	48,901	47,489	47,574
Personnel Related Expenses				
- Civil Service Provident Fund contribution.....	1,803	1,946	2,181	2,586
- Disturbance allowance.....	1,555	3,091	2,050	5,187
Departmental Expenses				
- General departmental expenses .....	113,329	110,969	110,353	113,359
Other Charges				
- Publicity.....	44,626	41,020	42,480	43,110
- Grants to organisations .....	—	50	—	—
	305,977	324,678	321,865	333,479