

立法會
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Establishment Subcommittee of the Finance Committee

Minutes of the 4th meeting
held in Conference Room 1 of Legislative Council Complex
on Wednesday, 11 December 2013, at 8:30 am

Members present:

Hon Mrs Regina IP LAU Suk-yee, GBS, JP (Chairman)
Hon Kenneth LEUNG (Deputy Chairman)
Hon Emily LAU Wai-hing, JP
Hon WONG Ting-kwong, SBS, JP
Hon Starry LEE Wai-king, JP
Hon WONG Kwok-kin, BBS
Hon Steven HO Chun-yin
Hon YIU Si-wing
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Hon Christopher CHEUNG Wah-fung, JP
Hon SIN Chung-kai, SBS, JP
Hon IP Kin-yuen
Hon Martin LIAO Cheung-kwong, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu
Hon CHUNG Kwok-pan

Member absent:

Hon LEUNG Kwok-hung

Public Officers attending:

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| Ms Esther LEUNG, JP | Deputy Secretary for Financial Services and the Treasury (Treasury)1 |
| Mr Eddie MAK Tak-wai, JP | Deputy Secretary for the Civil Service (1) |
| Mrs Marion LAI, JP | Permanent Secretary for Food and Health (Food) |
| Mr Philip CHAN, JP | Deputy Secretary for Food and Health (Food) Special Duties |
| Miss Janet WONG, JP | Commissioner for Innovation and Technology |
| Mr Johann WONG, JP | Deputy Commissioner for Innovation and Technology |
| Mr Kesson LEE | Secretary-General (Testing and Certification), Hong Kong Council for Testing and Certification, Innovation and Technology Commission |
| Mr Daniel CHENG, JP | Deputy Secretary for Constitutional and Mainland Affairs |
| Ms Noel TSANG | Principal Assistant Secretary for Constitutional and Mainland Affairs |
| Ms Joyce TAM, JP | Director, Shanghai ETO, Hong Kong Economic and Trade Office in Shanghai |

Clerk in attendance:

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| Ms Connie SZETO | Chief Council Secretary (1)4 |
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Staff in attendance:

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| Mr Andy LAU | Assistant Secretary General 1 |
| Mr Hugo CHIU | Council Secretary (1)4 |
| Ms Alice CHEUNG | Senior Legislative Assistant (1)1 |
| Ms Clara LO | Legislative Assistant (1)9 |

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1.1. The Chairman drew members' attention to the information paper ECI(2013-14)10 which set out the latest changes in the directorate establishment approved since 2002.

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EC(2013-14)10 Proposed creation of one permanent post of Administrative Officer Staff Grade B (D3) in the Food Branch of the Food and Health Bureau to strengthen the senior directorate support to cope with the increasing workload, thereby enhancing its work in ensuring food safety and other related policies and measures, as well as pursuing amendments to and implementation of relevant legislation to safeguard public health

2. The Chairman said that the Administration's proposal was to create one permanent post of Administrative Officer Staff Grade B (AOSGB)(D3) in the Food Branch (FB) of the Food and Health Bureau (FHB), to be designated as Deputy Secretary for Food and Health (Food)2 (DS(Food)2), to strengthen the senior directorate support in coping with the increasing workload, thereby enhancing its work in ensuring food safety and other related policies and measures, as well as pursuing amendments to and implementation of relevant legislation to safeguard public health.

3. The Chairman advised that the Panel on Food Safety and Environmental Hygiene had been consulted on the proposal at its meeting on 12 November 2013. Majority of the Panel members who attended the meeting supported the proposal. Some Panel members expressed concern that the proposal would make the structure of FB redundant and suggested that the Administration should extend the existing supernumerary post of Deputy Secretary for Food and Health (Food) (Special Duties) for six months and review the need to convert the post permanent thereafter. Some other Panel members expressed concern about whether new posts would be created to support the work of DS(Food)2. The Administration had explained that FB had a wide portfolio, and in view of the rapidly changing nature and complexity concerning regulatory work on food safety, there was a genuine need for dedicated senior directorate support at D3 level on a long-term basis. The Administration did not consider it necessary to increase manpower other than the secretarial support proposed for underpinning the work of DS(Food)2 at the current stage.

Justifications for creating a permanent D3 post to tackle food safety issues

4. Mr TANG Ka-piu indicated support for the proposal. He enquired whether the main reason for creating the DS(Food)2 post was to implement the Import and Export (General) (Amendment) Regulation 2013 (the 2013 Regulation) which sought to prohibit the export of powdered formula to all places outside Hong Kong except under an export licence or an exemption.

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5. Permanent Secretary for Food and Health (Food) (PSFH(F)) responded that a supernumerary post pitched at D3 level was created in FB of FHB in August 2009 for a period of four years to formulate and implement a number of food safety related initiatives including the Food Safety Bill. The post was extended for six months in August 2013 as follow-up on the enforcement of the 2013 Regulation and discussions with the trade on the supply chain improvement measures had generated huge workload. PSFH(F) added that ensuring food safety was a long-term mission of the Government entailing heavy workload with a high level of complexity, particularly in view of the fact that some 95% of the local food was imported from places outside Hong Kong. The experience in handling a number of overseas food incidents in recent years, such as the incident of radiation leak in Japan in March 2011, the presence of plasticiser in food products and drinks from Taiwan in May 2011, the finding of low level of iodine in infant formula in August 2012 and the incident of suspected substandard cooking oil in December 2012 exemplified that there was a genuine need to strengthen the senior directorate support in FB of FHB to deal with food safety-related issues. The proposed post would be responsible for the management and co-ordination of inter-departmental response to food incidents, including timely dissemination of information to the public and liaison with relevant authorities to mitigate impact on food supply. In addition, the post holder would undertake various tasks relating to food safety and supply, including follow-up work on the 2013 Regulation, review and establish food safety standards in legislation, monitoring the supply of food, etc. as detailed in paragraph 12 of EC(2013-14)10.

6. Mr WONG Ting-kwong conveyed support of the Democratic Alliance for the Betterment and Progress of Hong Kong for the proposal. He enquired about the need to create the proposed post in FB of FHB given that the Controller of the Centre for Food Safety was already created as a directorate post. PSFH(F) explained that the Controller of the Centre for Food Safety was a professional grade post pitched at D4 level and filled by a medical officer to oversee the daily operation of the Centre and ensure provision of professional support on food matters. On the other hand, DS(Food)2 would undertake tasks relating to formulation and implementation of food policies and legislation.

7. Dr KWOK Ka-ki remarked that implementation of the 2013 Regulation should be under the purview of the Commerce and Economic Development Bureau (CEDB) instead of FHB as over 90% of the imported powdered formula had been purchased by parallel traders. He further enquired how the post of DS(Food)2 would help expedite measures to improve the powdered formula supply chain.

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8. PSFH(F) pointed out that since operation of the 2013 Regulation on 1 March 2013, the supply of powdered formula at retail outlets had become more steady when compared with the situation in early 2013. The Administration considered that the 2013 Regulation had worked well in balancing supply at the retail level on the one hand and demand (whether from local or non-local source) on the other. The Government had urged the trade to further improve their supply chain, e.g. to strengthen substantially the "milk powder coupon scheme" and to promote the scheme to eligible parents with a view to ensuring a stable and sufficient supply of powdered formula for the local infants and young children. This was therefore still a great deal of follow-up work to be done by FHB on the subject.

9. In response to Mr CHUNG Kwok-pan's enquiry about whether the proposed post would be filled by internal deployment or open recruitment, PSFH(F) responded that the Civil Service Bureau would deploy suitable Administrative Officer to fill the post in accordance with the established procedures.

Supporting staff and division of duties between the two Deputy Secretaries in FB of FHB

10. Mr CHUNG Kwok-pan and Mr WONG Ting-kwong enquired if the Administration had plan to strengthen the supporting staff for DS(Food)2 given the wide range of duties to be undertaken, including implementation of the 2013 Regulation, review of the policy on agricultural development, tackling avian influenza and regulation of the import of poultry eggs, etc. Pointing out that a lot of the front-line work involved in enhancing food safety was indeed undertaken by the Centre for Food Safety, Dr KWOK Ka-ki was concerned that the objective would not be achieved without strengthening the manpower resources of the Centre.

11. PSFH(F) responded that at present there was one permanent Deputy Secretary (DS) (pitched at D4 level) in FB of FHB, i.e. Deputy Secretary for Food and Health (Food)1 (DS(Food)1), who was responsible for overseeing the policy portfolios of food safety, environmental hygiene, and agriculture and fisheries. The proposal in question was to create a permanent directorate post of DS(Food)2 pitched at D3 level to undertake duties on enhancing food safety. While the duties of DS(Food)1 would be revised, the post holder would continue to be responsible for aspects of work including review of policy on agricultural development, addressing the threat of avian influenza, overseeing animal and veterinary health, etc. Regarding the manpower of the Centre for Food Safety, PSFH(F) said that the Centre consisted of a multi-disciplinary team of some 600 staff. The Administration would keep the establishment of the Centre under review to ensure it had sufficient

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manpower at the right level to discharge its functions.

12. Mr Martin LIAO enquired whether there was a line of command between DS(Food)1 and DS(Food)2, and details in the division of work between the two posts as well as among the Principal Assistant Secretaries (PASs) underpinning them. Mr Christopher CHEUNG enquired whether DS(Food)1 or DS(Food)2 would be responsible for policy work on public cemeteries, columbaria and cremation facilities. Noting that DS(Food)1 was responsible for reviewing the policy on agricultural development, Mr Steven HO enquired whether DS(Food)1 or DS(Food)2 would be responsible for work relating to pesticide residues in grown food, such as vegetable.

13. PSFH(F) confirmed that there was no line of command between DS(Food)1 and DS(Food)2, and both post holders reported to PSFH(F). She added that DS(Food)1 was responsible for policy work on public cemeteries, columbaria and cremation facilities. PSFH(F) pointed out that DS(Food)2 would be responsible for overseeing the policy work relating to pesticide residues in food while DS(Food)1 would be responsible for the overall review of policy on agricultural development, including the diversification and future positioning of agriculture and the efficient use of agricultural land. PSFH(F) pointed out that DS(Food)1 and DS(Food)2 would be supported by three PASs. DSs and PASs would perform different roles when being responsible for the same policy subject. While PASs would conduct background research and prepare draft papers and preliminary proposals, the two DSs would be responsible for more high-level work like vetting the draft papers and draft proposals, steering and assisting PSFH(F) in overseeing formulation and implementation of policies as well as allocation of resources.

Measures to enhance food safety

14. Ms Emily LAU expressed support for the proposal and highlighted that there was increasing public concern over food safety matters as most of the local food was imported from places outside Hong Kong. On the work of DS(Food)2, Ms LAU enquired how the post would enhance the safety of imported food, including expediting the testing of imported food and strengthening regulation of imported poultry eggs and aquatic food products.

15. PSFH(F) re-iterated that creation of the DS(Food)2 post would strengthen the senior directorate support in FB of FHB and address the increasing public concern over food safety given the heavy workload and increasing complexity involved in the tasks. On the safety of imported food, PSFH(F) pointed out that the Administration had stepped up its efforts in recent years. For instance, since the incident of radiation leak in Japan in March 2011, an extra of 50 000 food samples of imported food from Japan had

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been taken for testing on top of the 65 000 annual samples collected under the food surveillance programme. Moreover, the Administration had established a communication and co-ordination mechanism with the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) of the Mainland. DS(Food)2 would continue to maintain close liaison with AQSIQ in pursuing work like monitoring of pesticide residues in food. Regarding the safety of imported poultry eggs, the Administration was currently preparing draft legislation in this area. As for the regulation of imported aquatic food products from the Mainland, co-operation with relevant Mainland authorities on work like designation of registered farms would be required. The Administration was holding discussions with AQSIQ on related issues. In addition, it was among the duties of DS(Food)2 to monitor work in strengthening the Government Laboratory (GL)'s capacity in ensuring food safety. Major tasks in this area included overseeing the construction of a comprehensive food safety laboratory to enhance its efficiency, and GL's development to maintain and strengthen its position as a leading laboratory in the region.

16. Ms Emily LAU urged that the Administration should expedite food testing to ensure safety of imported food. Referring to paragraph 12(g) of EC(2013-14)10, she enquired whether the poultry eggs imported from the Mainland had complied with the relevant international standard. On the work to ensure the safety of aquatic food products, Ms LAU asked whether the Administration would work out with AQSIQ a concrete timeframe for introducing the regulatory scheme.

17. PSFH(F) responded that the Administration had already stepped up its efforts on food testing and the relevant results were released to the public in a timely manner in a number of food incidents. The Administration would consider increasing the resources to expedite food testing where necessary. On the regulation of imported poultry eggs, the relevant legislation was under preparation. PSFH(F) further pointed out that the Administration would strengthen the regulation of imported aquatic food products and DS(Food)2 would oversee the work in this area.

18. The Chairman sought confirmation from the Administration on whether food items, such as food oil and instant noodles, involved in recent food incidents in Taiwan were among those items imported into Hong Kong. She also remarked that some food safety problems had been caused by economic reasons (like the lack of disembarking facilities for imported chilled meat), and that the relevant bureau including CEDB would look into these issues. Mr Steven HO concurred that the Administration should formulate measures for proper transshipment of chilled meat to ensure food safety.

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19. PSFH(F) undertook to provide information requested by the Chairman concerning food incidents in Taiwan. She would also relay the Chairman's remark that some food safety problems had been caused by economic reasons for CEDB's consideration. On the issue of chilled meat, PSFH(F) stressed that the Administration attached great importance to ensuring food safety in the supply chain of chilled meat. Appropriate enforcement actions had also been taken against improper handling and distribution of food. She added that the Administration had been closely liaising with the industry to impress upon it the need to devote resources and come up with measures to ensure the safety of imported chilled meat. The Administration had also been giving advice to the industry in meeting the statutory requirements relating to food safety.

The policy on agricultural development

20. Noting the competing demand for land by various bureaux, for example, the Development Bureau was exploring the use of deserted agricultural land in the New Territories for construction of housing flats while FHB was pursuing the policy on sustainable agricultural development, Dr KWOK Ka-ki enquired whether the work of DS(Food)2 would include formulating the policy for developing the local agriculture. Ms Emily LAU shared a similar view and remarked that the Administration should expedite work in formulating an agricultural policy.

21. PSFH(F) said that policy portfolios relating to agriculture and fisheries were under the purview of DS(Food)1. On the development of agriculture, the Administration aimed to maintain a proper balance between the need to conserve the natural environment and facilitate other development while strengthening support for sustainable development of modern agriculture. To this end, the Administration had been providing technical advice to farmers on promoting good horticultural practice, such as proper and safe use of pesticide, and producing high-value and good quality agricultural products. With due regard to the scarce land resources in Hong Kong, the Agriculture, Fisheries and Conservation Department also provided matching service to farmers who wished to rent agricultural land for farming activities.

22. The item was voted on. Members agreed that the Subcommittee should recommend the item to the Finance Committee (FC) for approval.

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EC(2013-14)11 Proposed creation of one permanent post of Administrative Officer Staff Grade C (D2) in the Innovation and Technology Commission designated as Secretary-General (Testing and Certification) with effect from 1 April 2014 to provide sustained and dedicated support at the directorate level to assist the Hong Kong Council for Testing and Certification

23. The Chairman said that the Administration's proposal was to create one permanent post of Administrative Officer Staff Grade C (D2) in the Innovation and Technology Commission (ITC) designated as Secretary-General (Testing and Certification) (SG(TC)) with effect from 1 April 2014 to provide sustained and dedicated support at the directorate level to assist the Hong Kong Council for Testing and Certification (HKCTC).

24. The Chairman advised that that the Panel on Commerce and Industry (CI Panel) had been consulted on the proposal at its meeting on 19 November 2013. While expressing support for the proposal in principle, Panel members had urged the Administration to:

- (a) seek wider recognition of Hong Kong's testing and certification (T&C) results in the Mainland;
- (b) include T&C services for textile products in the further liberalization measures under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) in the future;
- (c) strengthen the promotion of the various support services provided to T&C industry;
- (d) consider putting in place a subsidy scheme to provide incentives for organizations in adopting the ISO 27001 certification or other certification initiatives on the information and technology front; and
- (e) enhance mutual collaboration between HKCTC and the Hong Kong Productivity Council in promoting software testing services in Hong Kong.

Measures to support development of Hong Kong's T&C industry

25. Mr CHUNG Kwok-pan referred to paragraph 7(b) of EC(2013-14)11 and enquired why the textile industry was not included among the six specific trades for the promotion of T&C services. He also enquired about the progress in promoting the branding of "Tested in Hong Kong,

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Certified in Hong Kong" in the Mainland and relevant liberalization measures under CEPA for the local T&C industry. Mr Kenneth LEUNG enquired how HKCTC had worked out the initiatives as set out in paragraph 7(b) of EC(2013-14)11 in promoting T&C services for the six specific trades.

26. Commissioner for Innovation and Technology (CIT) clarified that the six specific trades and the initiatives mentioned in paragraph 7(b) of EC(2013-14)11 were drawn up having regard to views from relevant stakeholders received in 2009. She said that feedbacks from the stakeholders had indicated the need for the Administration to focus on new trades instead of established ones, such as textiles, toys and electronics, in the promotion of T&C services. As new trades would likely have more potentials, more demand for T&C services could be generated. Nonetheless, HKCTC would not overlook the potentials of well-established trades and would continue to pay attention to and address any needs for T&C services in a prompt manner.

27. On the T&C market of the Mainland, Deputy Commissioner for Innovation and Technology (DCIT) said that implementation of Supplement VII to CEPA had opened up the Mainland market to Hong Kong's T&C industry, and that under Supplement IX to CEPA, the scope of certification that could be undertaken by Hong Kong testing organizations had been expanded to cover food on a pilot basis in Guangdong Province with effect from January 2013. Secretary-General (Testing and Certification), Hong Kong Council for Testing and Certification, Innovation and Technology Commission (SG(TC)) supplemented that under Supplement X to CEPA, the scope of testing services for the purpose of certification that could be undertaken by Hong Kong testing organizations would be further expanded to cover other areas of voluntary product certification on a pilot basis in Guangdong Province starting from 1 January 2014. In response to Mr CHUNG Kwok-pan's enquiry, SG(TC) remarked that products under the China Compulsory Certification (CCC) System were subject to mandatory product certification.

28. Mr YIU Si-wing expressed support for the proposal. Pointing out that many Mainland tourists purchased jewellery in Hong Kong, Mr YIU considered that HKCTC should be more proactive in promoting T&C services to the jewellery trade. He suggested extending the scope of T&C services to cover diamonds and other kinds of gems in addition to Fei Cui and imposing mandatory certification for jewellery so as to enhance tourists' confidence on jewellery purchased in Hong Kong.

29. SG(TC) responded that while there were well-established and internationally recognized methods on the testing of diamonds, there was a lack of such for Fei Cui. HKCTC considered that T&C services for Fei Cui

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was a niche area that Hong Kong enjoyed some advantages and that should be further developed and promoted. SG(TC) added that in developing T&C schemes for particular trades, HKCTC would adopt the market-driven principle, and in general the market preferred voluntary to mandatory certification for products. In response to Mr YIU Si-wing's view that the Administration should strike a balance between imposing mandatory certification for jewellery and sponsoring relevant organizations to develop relevant T&C standards and testing methods, CIT remarked that a dedicated panel comprised of relevant stakeholders had been established for each of the six specific trades in promoting the use of T&C services to the trades, and Mr YIU's view would be relayed to the relevant panel for consideration. CIT stressed that it was necessary for all stakeholders to reach a consensus on the way forward before implementing any T&C schemes for the trade concerned. It could be easier to reach a consensus on voluntary certification for products and was more difficult for a mandatory certification scheme. But if there was a clear direction from the trades concerned regarding the possibility of introducing a mandatory scheme, the relevant panel would be willing to consider.

30. Mr WONG Ting-kwong conveyed the support of Democratic Alliance for the Betterment and Progress of Hong Kong for the proposal. He opined that the Administration could assist the local T&C industry to access the Mainland market in enhancing Hong Kong's status as a T&C hub in the region. CIT concurred with Mr WONG's view and affirmed that Hong Kong's T&C industry enjoyed certain advantages. The Administration would continue to assist the local T&C industry in tapping the Mainland market through further liberalization measures under CEPA.

Contribution and future development of the local T&C industry

31. Mr Kenneth LEUNG enquired about the contribution of the local T&C industry to Hong Kong's Gross Domestic Products (GDP) in recent years and measures taken/to be taken by the Administration in promoting the T&C industry to other markets in Asia apart from the Mainland.

32. CIT responded that the annual business receipts of T&C industry from 2009 to 2011 had increased from HK\$8.6 billion to HK\$10.8 billion. The figures were particularly impressive taking into account that Hong Kong's economy had yet to recover from the global financial crisis in 2008. DCIT supplemented that although the direct contribution of the local T&C industry to Hong Kong's GDP was not significant as compared with other industries, the local T&C industry had supported other industries in Hong Kong, in particular the manufacturing and export industries in helping them to ensure compliance with relevant testing and certification standards and requirements

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of overseas markets. On the promotion of the local T&C industry, CIT advised that the Administration had been co-operating with the Hong Kong Trade Development Council (HKTDC) and participating in its overseas promotional activities to promote Hong Kong's T&C services to the Mainland and other regions. At Mr Kenneth LEUNG's request, the Administration was required to provide supplementary information on the quantifiable economic benefits brought by Hong Kong's T&C industry, including its contribution to Hong Kong's GDP, and information on services provided by the industry in respect of the local, Mainland and Asian markets.

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33. Given that Hong Kong's T&C industry enjoyed clear advantages, Ms Emily LAU enquired whether there would be further liberalization measures under CEPA to expedite the industry's access to the Mainland market. Pointing out that liberalization measures for the local T&C industry under Supplement X to CEPA had a narrow scope, Mr CHUNG Kwok-pan enquired whether more comprehensive liberalization measures would be introduced under CEPA, such as expanding the scope of testing services for certification to be undertaken by Hong Kong testing organizations to cover areas of mandatory product certification, as well as allowing Mainland manufactured products tested and certified in Hong Kong for sale in the Mainland.

34. CIT pointed out that in working out measures under CEPA, it would be necessary to take into consideration views from both sides. The Central Government and Hong Kong Government would negotiate mutually beneficial liberalization measures under CEPA taking into account the respective developments of their T&C industries. DCIT added that due regard had to be given to the different legal systems and certification requirements of Hong Kong and the Mainland in the development of T&C measures under CEPA. For instance, Hong Kong did not impose mandatory product certification. DCIT further pointed out that Hong Kong's T&C services had a good reputation in the Mainland for products like toys which were subject to frequent changes in international safety standards. The Administration would, in consultation with the industry, work out a "wish list" for the discussion of further liberalization measures on T&C services under CEPA.

35. Pointing out that Hong Kong and the Mainland were members of the World Trade Organization ("WTO") and the conclusion of CEPA was allowed under the framework of WTO, the Chairman enquired whether measures/benefits for Hong Kong under CEPA had to be extended to other members of WTO in due course. DCIT undertook to provide supplementary information on the matter.

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Support from the Innovation and Technology Commission

36. Mr POON Siu-ping indicated support for the proposal. Noting that only two new non-directorate civil service posts would be created in 2014-2015 in the HKCTC Secretariat, Mr POON enquired about plans, if any, to strengthen manpower support in ITC in assisting the work of HKCTC.

37. DCIT responded that as far as non-directorate support was concerned, eight existing time-limited non-directorate civil service posts under SG(TC) would be converted to permanent posts with effect from 1 April 2014 in addition to the creation of two permanent civil service posts. Regarding support from ITC on the work of HKCTC, DCIT pointed out that CIT and DCIT would supervise and support the work of HKCTC and SG(TC). Other directorate officers in ITC were fully engaged in their existing portfolios in promoting the development of innovation and technology. Tasks relating to the development of the T&C industry would be discharged by SG(TC) and his team.

38. Ms Emily LAU enquired about ITC's initiatives in developing the innovation and technology industries in Hong Kong. She considered that ITC should step up its efforts in this area in order to enhance Hong Kong's competitiveness.

39. CIT responded that support for Hong Kong's innovation and technology initiatives before 2007 was mainly in the form of financial assistance such as provision of subsidies to local universities for undertaking research and development projects. The innovation and technology sector began to grow in 2007. Since 2008, the Administration had focused on developing the six economic areas where Hong Kong enjoyed clear advantages and the work of ITC had changed accordingly to meet the needs. Hong Kong's innovation and technology industry had a relatively short history and the dominant role of the local services industry had also impacted on the development of the innovation and technology industry, as the use of R&D services was relatively limited in the services industry. On the future development of Hong Kong's innovation and technology industry, CIT said that according to research conducted by ITC, while the Government's input in the area was considered adequate, there was much room for increasing the input from the private sector. To this end, the Administration would continue to step up its efforts in promoting private investment in innovation and technology initiatives in 2014.

40. The item was voted on. Members agreed that the Subcommittee should recommend the item to FC for approval.

EC(2013-14)12 Proposed creation of one permanent post of Administrative Officer Staff Grade C (D2) in the Constitutional and Mainland Affairs Bureau with effect from 1 April 2014 to head a new Hong Kong Economic and Trade Office in Wuhan

41. The Chairman said that the Administration's proposal was to create one permanent post of Administrative Officer Staff Grade C (D2) in the Constitutional and Mainland Affairs Bureau (CMAB) with effect from 1 April 2014 as the Director of the new Hong Kong Economic and Trade Office (ETO) in Wuhan (WHETO).

42. The Chairman advised that CI Panel had been consulted on the proposal at its meeting on 19 November 2013. Panel members supported the proposal in principle. Some Panel members suggested that the Administration should consider re-naming Mainland ETOs to better reflect their roles and functions in enhancing cultural co-operation and exchanges between Hong Kong and the Mainland. Since the heads of ETOs would be subject to posting every few years, some Panel members expressed concern about continuity in the work of ETOs, particularly in building up long-term relationship and maintaining liaison with the Mainland authorities. Panel members also discussed criteria for selecting the cities for establishing new ETOs in the Mainland and support provided by ETOs to Hong Kong residents and enterprises in the Mainland. At the request of some Panel members, the Administration had provided supplementary information on the justifications for setting up the new ETO in Wuhan instead of Zhengzhou.

Justification of the proposal and functions of Mainland ETOs

43. Dr KWOK Ka-ki questioned whether the establishment of WHETO was to demonstrate the Chief Executive (CE)'s determination in strengthening "homeland relationship" as promulgated in the 2013 Policy Address. Dr KWOK expressed concern about overlap in the work of WHETO with HKTDC offices established in the Mainland, and enquired if the Administration had explored the feasibility for Mainland HKTDC offices to absorb the work of WHETO. In his views, Mainland HKTDC offices should have no difficulty in undertaking Government-to-Government (G2G) liaison work as they had been in close contact with relevant authorities in the Mainland.

44. Mr WONG Ting-kwong supported the Administration's proposal. He remarked that Mainland ETOs and Mainland HKTDC offices had different roles and functions. The former was responsible for promoting G2G

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cooperation between Hong Kong and respective Mainland provinces and providing assistance to Hong Kong residents and enterprises in the Mainland while the latter were mainly involved in promotion of trade and business.

45. Deputy Secretary for Constitutional and Mainland Affairs (DSCMA) advised that while the Offices of the Hong Kong Special Administrative Region (HKSAR) Government in the Mainland (the Mainland Offices) would work with Mainland HKTDC offices on business and trade matters, they assumed different roles and served different functions. Specifically, maintaining G2G liaison was a unique and important function of Mainland Offices and could not be replaced by HKTDC offices which were semi-government bodies. For example, through G2G contacts, the HKSAR Government would reflect the views and concerns of Hong Kong residents, enterprises and professionals on Mainland legislation and policies to the relevant Mainland authorities. The setting up of WHETO would strengthen G2G liaison between the HKSAR and provinces in the Central Region.

46. Mr YIU Si-wing expressed support for the proposal. With growing contacts between Hong Kong and the Mainland on various fronts, Mr YIU considered it necessary to strengthen the roles and functions of Mainland ETOs in handling emergency situations encountered by Hong Kong residents and enterprises in the Mainland. As the functions of WHETO included promoting Hong Kong's strengths and positive image, Mr YIU enquired whether it would liaise with the Hong Kong Tourism Board (HKTB) to enhance cooperation and avoid overlap in their work in the Central Region.

47. DSCMA responded that as initiatives put forward in the 2013 Policy Address, the Mainland Offices had commenced work to enhance their functions with a view to providing better support to Hong Kong residents and enterprises in the Mainland. In this regard, the Mainland Offices had strengthened liaison with Hong Kong people and groups in the Mainland to understand their situation and service needs. They would also publish booklets on practical information relating to living in the Mainland. In addition, the Beijing Office (BJO) had stepped up efforts in conducting researches on national policies to analyse the resulting opportunities and challenges for Hong Kong people and enterprises. The BJO had also taken a lead in revamping the websites of the Mainland Offices to facilitate dissemination of information. DSCMA added that the Mainland Offices had strengthened liaison with the offices of HKTDC and HKTB in the Mainland to achieve better synergy and avoid overlap in their work. He supplemented that the roles and functions of Mainland Offices were more comprehensive than those of offices of HKTDC and HKTB in the Mainland, which mainly focused on trade, economic and tourism matters.

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48. Ms Emily LAU sought information on the number of cases/requests for assistance by Hong Kong residents and enterprises in the Mainland received by Mainland ETOs in recent years, and enquired whether Mainland ETOs would assist Hong Kong residents and enterprises in the Mainland involved in litigations. Ms LAU considered that the Administration should elaborate the functions of WHETO to include support services in these areas.

49. Mr IP Kin-yuen and Mr YIU Si-wing opined that CMAB should consider re-naming Mainland ETOs to better reflect their roles and functions in future. Mr IP suggested that the Administration could consider using the name "武漢港聯辦" (Liaison Office of the Hong Kong Special Administrative Region in Wuhan) for WHETO. Mr YIU opined that pending the change of name in future, the Administration should clearly specify the enhanced functions of Mainland ETOs, including handling of accidents in the Mainland involving Hong Kong people.

50. DSCMA responded that the Mainland Offices would provide various support services to Hong Kong people, groups and enterprises in the Mainland. He advised that matters relating to immigration and personal safety including assistance in accidents were handled by the Immigration Divisions of relevant Mainland Offices. As there would be no Immigration Division in WHETO when it was set up, other Mainland Offices with Immigration Divisions would provide assistance to Hong Kong residents involved in accidents in the Central Region as appropriate.

51. On request for assistance by Hong Kong people and enterprises in the Mainland, DSCMA advised that in the past year or so, the Mainland Offices had received some 300 cases/requests for assistance relating to immigration and personal safety matters, and around 130 cases/requests for assistance on other issues. For litigation cases, the Mainland Offices would provide information of lawyers in the Mainland to the concerned Hong Kong residents and enterprises for their reference and refer their cases to the relevant Mainland authorities for follow-up as appropriate. He supplemented that the Guangdong ETO had arranged for the provision of legal advisory service to Hong Kong residents and enterprises in the Mainland. Also, the HKSAR and the Mainland had put in place a reciprocal notification mechanism for cases involving imposition of criminal compulsory measures on residents from the other side.

52. At the Chairman and Ms Emily LAU's request, the Administration was required to elaborate paragraph 8 of EC(2013-14)12 to include other functions of WHETO such as supporting Hong Kong residents in the Mainland, and to provide supplementary information on (a) details of support services provided by existing Mainland ETOs to Hong Kong residents and

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enterprises in the Mainland; and (b) number of cases/requests for assistance by Hong Kong residents and enterprises in the Mainland received by the Mainland ETOs in recent years, with breakdowns on the nature of the cases/requests and follow-up actions taken by the ETOs.

53. Mr WONG Ting-kwong asked whether other Mainland ETOs would set up Immigration Divisions like the Guangdong ETO, and whether this would require endorsement by the Central People's Government (CPG). The Chairman considered that the Administration should set up Immigration Divisions in all Mainland ETOs and CMAB should seek relevant resources for the Immigration Department to implement the initiative.

54. DSCMA advised that in addition to the Immigration Divisions in BJO and Guangdong ETO, the new Immigration Division in the Chengdu ETO had recently commenced operation in October 2013. The Administration would keep in view the need for setting up immigration divisions for WHETO and Shanghai ETO in the light of operational experience. DSCMA added that the establishment of immigration divisions under the Mainland Offices would not require CPG's endorsement.

55. Mr CHUNG Kwok-pan referred to a trade fair jointly organized by Administration and a Wuhan trade association for promoting Hong Kong enterprises and products in Wuhan and expressed concern about slow progress in taking forward the project. He urged the Administration to play a more active role in the project and involve HKTDC in the preparatory work.

56. DSCMA said that according to his knowledge, the trade association concerned had been discussing with the relevant authorities in Wuhan City and Hubei Province to take forward the project. He undertook to relay Mr CHUNG's views to the relevant bureau.

Future expansion of Mainland ETOs

57. Mr IP Kin-yuen enquired whether the Administration had plans to establish more ETOs in the Mainland, and sought information on the rank of the Director of WHETO as compared with the heads of other ETOs.

58. DSCMA responded that with the establishment of WHETO, there would be five Mainland Offices providing services in the Northern, Southern, Eastern, Western and Central Region of China. As announced in the 2013 Policy Address, the Administration would look into the feasibility of setting up more liaison units in various other Mainland cities on top of the existing three liaison units established under the Guangdong ETO and Chengdu ETO in Shenzhen, Chongqing and Fujian respectively. On the rank of heads of

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ETOs, DSCMA said that it would depend on the functions and operational needs of respective offices, as well as special tasks, if any, to be undertaken by the offices. In respect of the Director of WHETO, its rank would be generally on par with that of heads of other ETOs with comparable responsibilities.

59. The item was voted on. Members agreed that the Subcommittee should recommend the item to FC for approval.

60. The Chairman enquired whether it was necessary for the three proposals considered at this meeting to be voted on separately at FC meeting to be held on 10 January 2014. No members requested for the arrangement.

61. There being no other business, the meeting ended at 10:26 am.

Council Business Division 1
Legislative Council Secretariat
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