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**Replies to supplementary questions raised by Finance Committee Members in examining the
Estimates of Expenditure 2014-15**

Director of Bureau : Secretary for Commerce and Economic Development

Session No. : 11

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CONTROLLING OFFICER'S REPLY**S-CEDB(CIT)01****(Question Serial No. S0090)**

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

Subhead (No. & title):

Programme: (6) Travel and Tourism

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

Director of Bureau: Secretary for Commerce and Economic Development

This question originates from: Estimates on Expenditure Volume Page (if applicable)

Question (Member Question No.):

Regarding the reply to a question raised at this Committee (Question Serial No. 1335, Reply Serial No. CEDB(CIT)088), would the Administration provide further information as follows:

1. The number of local residents participating in various projects funded through the Mega Events Fund(MEF);

| Date of event | Project title | Number of participating local residents |
|----------------------------------|--|---|
| 13 November 2009 | Swire "Symphony Under the Stars" | |
| 6-9 January 2010 | Hong Kong Tennis Classic 2010 | |
| 26-29 March 2010 | Mui Wo Water Lantern and Sky Lantern Festival | |
| 27 March - 22 April 2010 | Hong Kong 2010 International a cappella Festival | |
| 29 March - 21 April 2010 | Hong Kong Musical Festival | |
| 8 April - 30 May 2010 | Hope and Glory | |
| 23-25 July 2010 | Hong Kong Dragon Boat Carnival | |
| 1 January 2011 | Record Breaking Dragon and Lion Dance Extravaganza | |
| 5-8 January 2011 | Hong Kong Tennis Classic 2011 | |
| 11-17 February 2011 | Hong Kong Well-wishing Festival | |
| 17-19 June 2011 | Hong Kong Dragon Boat Carnival 2011 | |
| 25 September - 2 October 2011 | Hong Kong International Jazz Festival 2011 | |
| 28-30 October 2011 | Hong Kong Cricket Sixes 2011 | |
| 1-4 December 2011 | UBS Hong Kong Open Championship 2011 | |
| 1 January 2012 | Dragon and Lion Dance Extravaganza 2012 | |

| Date of event | Project title | Number of participating local residents |
|------------------------------|--|---|
| 23 January - 6 February 2012 | Hong Kong Well-wishing Festival 2012 | |
| 2-8 July 2012 | Hong Kong Dragon Boat Carnival 2012 | |
| 15-18 November 2012 | UBS Hong Kong Open Championship 2012 | |
| 1 January 2013 | Dragon and Lion Dance Extravaganza 2013 | |
| 10-23 February 2013 | Hong Kong Well-wishing Festival 2013 | |
| 21-23 June 2013 | Hong Kong Dragon Boat Carnival 2013 | |
| 29 July 2013 | Manchester United Asia Tour 2013 (Hong Kong Leg) | |
| 1 January 2014 | Dragon and Lion Dance Extravaganza 2014 | |
| 6-8 June 2014 | Hong Kong Dragon Boat Carnival 2014 | |

- The statistical method used in calculating the number of participants (both visitors and local residents included); and
- According to the Reply from the Administration, “the MEF AC(Assessment Committee) and the Secretariat will observe the entire process of the events and collect feedback from the participants”. Please provide the relevant assessment mechanism in detail.

Asked by: Hon. LEUNG, Kenneth

Reply:

- The Mega Events Fund (MEF) was established in 2009 following the funding approval of the Finance Committee of the Legislative Council. Since its inception, MEF has supported 24 mega events. The number of participating local residents are as follows:

| Date of event | Project title | Number of participating local residents |
|--------------------------|--|---|
| 13 November 2009 | Swire “Symphony Under the Stars” | 16 922 |
| 6-9 January 2010 | Hong Kong Tennis Classic 2010 | 13 378 |
| 26-29 March 2010 | Mui Wo Water Lantern and Sky Lantern Festival | 40 020 |
| 27 March - 22 April 2010 | Hong Kong 2010 International a cappella Festival | 11 177 |
| 29 March - 21 April 2010 | Hong Kong Musical Festival | 27 894 |
| 8 April - 30 May 2010 | Hope and Glory | 56 891 |
| 23-25 July 2010 | Hong Kong Dragon Boat Carnival | 96 434 |
| 1 January 2011 | Record Breaking Dragon and Lion Dance Extravaganza | 50 000 |
| 5-8 January 2011 | Hong Kong Tennis Classic 2011 | 11 688 |
| 11-17 February 2011 | Hong Kong Well-wishing Festival | 51 760 |
| 17-19 June 2011 | Hong Kong Dragon Boat Carnival 2011 | 164 212 |

| Date of event | Project title | Number of participating local residents |
|-------------------------------|--|---|
| 25 September - 2 October 2011 | Hong Kong International Jazz Festival 2011 | 36 091 |
| 28-30 October 2011 | Hong Kong Cricket Sixes 2011 | 12 016 |
| 1-4 December 2011 | UBS Hong Kong Open Championship 2011 | 28 187 |
| 1 January 2012 | Dragon and Lion Dance Extravaganza 2012 | 39 180 |
| 23 January - 6 February 2012 | Hong Kong Well-wishing Festival 2012 | 143 221 |
| 2-8 July 2012 | Hong Kong Dragon Boat Carnival 2012 | 284 624 |
| 15-18 November 2012 | UBS Hong Kong Open Championship 2012 | 29 394 |
| 1 January 2013 | Dragon and Lion Dance Extravaganza 2013 | 50 270 |
| 10-23 February 2013 | Hong Kong Well-wishing Festival 2013 | 235 675 |
| 21-23 June 2013 | Hong Kong Dragon Boat Carnival 2013 | 168 120 |
| 29 July 2013 | Manchester United Asia Tour 2013 (Hong Kong Leg) | 32 214 (estimated) (Note) |
| 1 January 2014 | Dragon and Lion Dance Extravaganza 2014 | 50 070 (estimated) (Note) |
| 6-8 June 2014 | Hong Kong Dragon Boat Carnival 2014 | 174 390 (expected) (Note) |

Note: The events have not yet been organized or the information is being finalized by the organizers.

2. The figures on the number of participants are provided by the event organizers. The statistical methods applied in calculating the number of attendees depend on the nature and venue, etc. of individual events. For example, the organizers may count the number of attendees by making reference to the number of tickets sold, clicking record of attendees at the entrances of the venue and conducting survey, etc.
3. Under the existing monitoring mechanism, the MEF Assessment Committee (AC) and the Secretariat will monitor the implementation of the funded events. Once a funding application is approved, the Secretariat will keep in close contact with the organizer throughout the implementation of the event. Before the staging of the event, the MEF AC members and/or Secretariat staff will conduct site-visits and, if necessary, participate in the event's working meetings. On the event day, they will observe the event, collect feedback suitably from participants on site, and make record of their observations. In addition, the Government will specify in the funding agreement requesting the organizer to conduct a survey on the feedback from participants of the event, spectators and key stakeholders, such as the Hong Kong Tourism Board and travel trade operators, etc. Upon completion of the event, the organizer should submit a report on the feedback survey findings to the MEF AC and the Controlling Officer of the MEF for examination.

The MEF AC and the Controlling Officer of the MEF will assess the overall performance of the event. If it is found that the relevant organizers did not comply with any requirements specified under the agreement, the MEF AC and the Controlling Officer of the MEF may, depending on actual circumstances, suitably impose sanctions on the event organizers, including reducing the level of funding. The relevant organizers may even be suspended from future MEF application.

CONTROLLING OFFICER'S REPLY

(Question Serial No. S0011)

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

Subhead (No. & title):

Programme: (4) Posts, Competition Policy and Consumer Protection

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

Director of Bureau: Secretary for Commerce and Economic Development

This question originates from: Estimates on Expenditure Volume Page (if applicable)

Question (Member Question No.):

Will the Administration consider allocating fund for studying the feasibility of reverting the Post Office Trading Fund to an allocation under a government department to ensure that they will have sufficient funds for employing staff?

Asked by: Hon. TANG Ka-piu

Reply:

A primary objective for Hongkong Post (HKP) to operate as a trading fund is to enable it to manage its resources more flexibly so that it can formulate suitable business strategies responsively to market changes in order to provide customers with quality and reliable services. We consider that HKP should continue to operate as a trading fund.

The postal industry is by nature labour intensive. HKP would keep under review its manpower requirement and ensure that there is adequate manpower to meet service demand and maintain service quality.

CONTROLLING OFFICER'S REPLY

(Question Serial No. S0104)

Head: 181 Trade and Industry Department

Subhead (No. & title): (-)

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Kenneth MAK)

Director of Bureau: Secretary for Commerce and Economic Development

This question originates from: Estimates on Expenditure Volume Page (if applicable)

Question (Member Question No.)::

Please list respectively the applicants, nature of projects, target sectors and funding amount of the 42 projects approved under the SME Development Fund in 2013-14.

Asked by: Hon. MOK, Charles Peter

Reply:

In 2013, 42 applications were received and 20 applications¹ were approved under the SME Development Fund. The total grant amount approved was about \$24.7 million. Details of the projects approved in 2013 are listed in Annex.

¹ Seven of the 20 applications were received in 2012.

**SME Development Fund
Details of the Projects Approved in 2013**

| | Applicant Organisation | Project Nature | Target Sector(s) | Grant Amount (\$) |
|----|--|--|------------------------------------|--------------------------|
| 1. | Hong Kong Electronics & Technologies Association | To assist enterprises in adapting to short product development cycles and improve product reliability | Electronic and electrical products | 1,700,010 |
| 2. | Hong Kong Society of Chinese Medicines Limited | To enhance production management and quality control of Chinese medicine manufacturers, in particular the application of technologies in production and monitoring | Chinese medicine manufacturing | 1,297,980 |
| 3. | The Hong Kong Printers Association | To organise a world-class color symposium and workshops, and to assist printing enterprises in implementing effective color management | Printing and publishing | 992,798 |
| 4. | Hong Kong Food Council Limited | To establish food supply chain best practices for SMEs in order to assist them in enhancing their competitiveness | Food manufacturing | 1,248,660 |
| 5. | Association of Coffee and Tea of Hong Kong Limited | To organise international competitions to promote Hong Kong-style "Cha Chan Tangs" | Catering and hotel | 1,854,540 |

| | Applicant Organisation | Project Nature | Target Sector(s) | Grant Amount (\$) |
|-----|--|---|------------------------------|--------------------------|
| 6. | The Chinese Manufacturers' Association of Hong Kong | To enhance SMEs' understanding of international "Carbon Footprint" certification and labelling, and to assist them in obtaining certification of the carbon emission levels of their products | All manufacturing sectors | 1,914,030 |
| 7. | Hong Kong Mould and Product Technology Association Limited | To develop electronic applications for mould and product development in order to assist enterprises in upgrading to Original Design Manufacturing and enhancing efficiency | Mould and die | 1,426,680 |
| 8. | Hong Kong Federation of Innovative Technologies and Manufacturing Industries Limited | To conduct studies on succession problems faced by the manufacturing industries and provide guidelines on best practices | All manufacturing sectors | 1,165,410 |
| 9. | Hong Kong Internet Service Providers Association | To promote e-commerce to SMEs | SMEs in general | 969,300 |
| 10. | Hong Kong Aviation Industry Association | To promote aviation-related products and services of local enterprises in overseas markets | Aviation parts | 1,694,250 |
| 11. | Hong Kong Polytechnic University | To organise training programmes on value-added logistics services for SMEs in the industry | Logistics and transportation | 958,400 |
| 12. | Quality Tourism Services Association | To establish a digital learning platform for the tourism service industry to facilitate service enhancement | Tourism | 656,388 |

| | Applicant Organisation | Project Nature | Target Sector(s) | Grant Amount (\$) |
|-----|---|---|------------------------------------|--------------------------|
| 13. | Hong Kong Jewellery & Jade Manufacturers Association | To support the local jewellery industry in exploring the European markets | Jewellery | 1,637,100 |
| 14. | Hong Kong Retail Management Association | To assist and encourage SMEs in the retail industry to provide quality services | Wholesale and retail | 1,148,099 |
| 15. | The Associated Locksmiths of Hong Kong S.A.R. China Ltd | To upgrade the skill levels of practitioners in the locksmith trade in Hong Kong | Locksmith | 707,400 |
| 16. | Federation of Hong Kong Industries | To assist SMEs in adopting hazardous substances control management system which complies with international standards | Electronic and electrical products | 931,500 |
| 17. | Hong Kong Medical and Healthcare Device Industries Association Ltd. | To assist local medical and healthcare devices industries in exploring emerging overseas markets | Medical and optical devices | 1,739,340 |
| 18. | Institution of Dining Art Ltd. | To enhance the capabilities of SMEs in the catering industry in liability risk management and business management | Catering and hotel | 642,690 |
| 19. | The Pharmaceutical Distributors Association of Hong Kong Limited | To support SMEs in the pharmaceutical industry to comply with the new regulatory requirements by enhancing quality and logistics management | Medical and optical devices | 1,193,850 |

| | Applicant Organisation | Project Nature | Target Sector(s) | Grant Amount (\$) |
|----------------------------|--|---|-----------------------------|--------------------------|
| 20. | Hong Kong Opto-Mechatronics Industries Association Limited | To enhance local opto-mechatronics enterprises' capabilities in capturing business opportunities in the high value-added healthcare and medical devices markets | Medical and optical devices | 778,221 |
| Total Grant Amount: | | | | around \$24.7 million |

CONTROLLING OFFICER'S REPLY**S-CEDB(CIT)04****(Question Serial No. S0105)**Head: 181 Trade and Industry DepartmentSubhead (No. & title):Programme: (3) Support for Small and Medium Enterprises and IndustriesControlling Officer: Director-General of Trade and Industry (Kenneth MAK)Director of Bureau: Secretary for Commerce and Economic DevelopmentThis question originates from: Estimates on Expenditure Volume Page (if applicable)Question (Member Question No.):

Please list respectively the estimated expenditures for the SME Export Marketing Fund and the SME Development Fund in 2013-14 and 2014-15.

Asked by: Hon. MOK, Charles PeterReply:

The estimated expenditures for the SME Export Marketing Fund and the SME Development Fund in 2013-14 and 2014-15 are as follows:

| Scheme | 2013-14 (Revised Estimate) (\$ million) | 2014-15 (Estimate) (\$ million) |
|---------------------------|--|--|
| SME Export Marketing Fund | 253.5 | 267.7 |
| SME Development Fund | 24 | 24 |
| Total | 277.5 | 291.7 |