

Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

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

Estimate 2015–16	\$1,829.2m
Establishment ceiling 2015–16 (notional annual mid-point salary value) representing an estimated 173 non-directorate posts as at 31 March 2015 rising by five posts to 178 posts as at 31 March 2016.....	\$102.3m
In addition, there will be an estimated 19 directorate posts as at 31 March 2015 and as at 31 March 2016.	
Commitment balance	\$249.5m

Controlling Officer's Report

Programmes

Programme (1) Director of Bureau's Office	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Commerce and Economic Development).
Programme (2) Commerce and Industry Programme (3) Subvention: Hong Kong Trade Development Council	These programmes contribute to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).
Programme (4) Posts, Competition Policy and Consumer Protection Programme (5) Subvention: Consumer Council	These programmes contribute to Policy Area 4: Posts, Competition Policy and Consumer Protection (Secretary for Commerce and Economic Development).
Programme (6) Travel and Tourism Programme (7) Subvention: Hong Kong Tourism Board	These programmes contribute to Policy Area 5: Travel and Tourism (Secretary for Commerce and Economic Development).
Programme (8) Public Safety	This programme contributes to Policy Area 7: Public Safety (Secretary for Commerce and Economic Development).
Programme (9) Subvention: Competition Commission	This programme contributes to Policy Area 4: Posts, Competition Policy and Consumer Protection (Secretary for Commerce and Economic Development).

Detail

Programme (1): Director of Bureau's Office

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	9.9	11.2	11.5 (+2.7%)	11.9 (+3.5%)
				(or +6.3% on 2014–15 Original)

Aim

2 The aim is to ensure the smooth operation of the Office of the Secretary for Commerce and Economic Development.

Brief Description

3 The Office of the Secretary for Commerce and Economic Development is responsible for providing support to the Secretary for Commerce and Economic Development in undertaking political work. This includes the support provided by the Under Secretary and the Political Assistant. The office is also responsible for providing administrative support to the Secretary for Commerce and Economic Development in carrying out his duties. The work includes the planning, co-ordination and implementation of all arrangements for the Secretary's public, media and community functions.

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Programme (2): Commerce and Industry

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	152.6	180.4	180.2 (–0.1%)	244.2 (+35.5%)
				(or +35.4% on 2014–15 Original)

Aim

4 The aims are to encourage Hong Kong's trading partners, through multilateral, regional and bilateral means, to remove barriers to trade; to promote Hong Kong's strengths so as to maintain international business confidence in Hong Kong; to develop Hong Kong as a competitive and knowledge-based economy by increasing the added value and productivity of Hong Kong's industries and enhancing the long-term competitiveness of small and medium enterprises (SMEs); to foster our trading and investment ties with the Mainland and support our businesses in seizing the opportunities created by the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and the National 12th Five-Year Plan; to attract external direct investment to Hong Kong; to maintain a modern and comprehensive intellectual property (IP) protection regime which complies fully with international standards; and to strengthen exchanges and co-operation with Taiwan.

Brief Description

5 The Commerce, Industry and Tourism Branch's main responsibilities under this programme are to:

- formulate policies on promotion of trade in goods and services;
- institute measures and arrangements to facilitate international trade and gain market access for Hong Kong's goods and services;
- foster friendship and understanding between the business communities of Hong Kong and our major markets;
- formulate policies to attract more external direct investment into Hong Kong;
- formulate policies to support SMEs;
- provide support to local businesses operating in the Mainland;
- promote and safeguard market access of Hong Kong's goods and services through overseeing Hong Kong's active participation in the multilateral trading system, including seeking further trade liberalisations under the World Trade Organization (WTO);
- foster greater regional co-operation in the Asia-Pacific region through overseeing Hong Kong's active participation in the Asia-Pacific Economic Cooperation (APEC);
- enhance mutually beneficial economic relationship between Hong Kong and the Mainland through CEPA;
- foster closer economic relationship with key trading partners through different means, including the conclusion of co-operation arrangements, free trade agreements and investment promotion and protection agreements;
- formulate policies on protection of IP rights; and
- support the further development of wine-related businesses in Hong Kong.

6 During 2014–15, the Branch:

- oversaw implementation of measures to strengthen institutional arrangements and support services to foreign enterprises for the promotion of inward investment into Hong Kong;
- oversaw participation in the work of the WTO including efforts to implement the decision of the Ninth WTO Ministerial Conference held in December 2013;
- oversaw participation in plurilateral negotiations for a Trade in Services Agreement (TISA) and an Environmental Goods Agreement (EGA) being undertaken by some WTO Members;
- oversaw participation in the APEC for strengthening regional economic integration, expanding trade, and assessing its progress towards the goal of free and open trade and investment in the region;
- oversaw completion of domestic procedures for ratification of the Free Trade Agreement with Chile and its implementation upon its entry into force in October 2014;
- oversaw discussions with trading partners to enhance economic co-operation through establishing, for example, co-operation arrangements, free trade agreements and investment promotion and protection agreements;

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- oversaw negotiations with the Association of Southeast Asian Nations (ASEAN) for a free trade agreement between Hong Kong and ASEAN;
- oversaw discussions with the Mainland on further market liberalisation and facilitation of trade and investment through CEPA, and on ensuring smooth implementation of measures announced;
- maintained close liaison with the Mainland authorities and assisted the trade to understand and cope with challenges arising from the Mainland's new policies and policy adjustments on processing trade;
- provided secretariat services and relevant support to the Economic Development Commission;
- continued efforts in promoting and expanding co-operation with Taiwan on trade, investment and tourism fronts;
- continued to work with the Trade and Industry Department (TID) and the Hong Kong Productivity Council (HKPC) to implement the \$1 billion Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to assist Hong Kong enterprises in enhancing their competitiveness and exploring the Mainland market;
- further extended the application period of the time-limited special concessionary measures under the SME Financing Guarantee Scheme (SFGS) of the Hong Kong Mortgage Corporation Limited for one year to 28 February 2015;
- continued to work with the Hong Kong Export Credit Insurance Corporation to assist Hong Kong exporters;
- continued to support the further development of wine-related businesses in Hong Kong, including trade and investment promotion, facilitating the movement of wine imports into the Mainland, manpower training and education, benchmarking Hong Kong's wine storage facilities with international standards, combating counterfeits, and collaboration with the trading partners of Hong Kong;
- worked with the Working Group on IP Trading to enhance the development of Hong Kong as a premier IP trading hub in the region;
- prepared for the implementation of the "original grant" patent system in Hong Kong;
- introduced the Copyright (Amendment) Bill 2014 into the Legislative Council (LegCo) with a view to updating the copyright regime of Hong Kong;
- continued to oversee efforts aimed at promoting awareness of and respect for IP rights in the business sector, including programmes designed to assist SMEs in particular to better manage and protect their IP rights;
- conducted a consultation exercise on the proposed application of the Madrid Protocol to Hong Kong;
- started to implement the relevant recommendations of the Task Force on Manpower Development of the Retail Industry;
- continued to work with the Customs and Excise Department to promote the Authorized Economic Operator Programme rolled out in April 2012, whereby accredited companies may enjoy facilitation such as reduced inspection and prioritised clearance, and to seek mutual recognition of the Programme and similar schemes by other customs authorities; and
- monitored the operation of the Government Electronic Trading Services (GETS) and started a study on its future development to further facilitate trade.

Matters Requiring Special Attention in 2015–16

7 During 2015–16, the Branch will:

- strengthen efforts to promote the business advantages of Hong Kong in the Mainland, Taiwan and ASEAN as well as to attract more multinational companies to set up regional or global operations in Hong Kong;
- continue to oversee participation in the work of the WTO;
- continue to oversee negotiations for TISA and EGA;
- continue to oversee participation in the work of the APEC;
- continue to monitor developments on various regional economic integration initiatives and explore opportunities for Hong Kong's participation;
- continue to oversee discussions or negotiations with trading partners on enhancing economic co-operation;
- continue to oversee negotiations on the Hong Kong-ASEAN Free Trade Agreement;
- continue to oversee efforts for seeking better market access and facilitation of trade and investment in the Mainland through CEPA, and for ensuring effective implementation of measures announced;
- continue to maintain close communication with the Mainland authorities and assist the trade to adjust to changes in the Mainland's policies on processing trade;

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- continue to provide secretariat services and relevant support to the Economic Development Commission;
- continue to work with TID and HKPC to implement the BUD Fund to support Hong Kong enterprises to develop their brands, upgrade and restructure their operations and promote sales in the Mainland domestic market;
- continue efforts in promoting co-operation between Hong Kong and Taiwan on trade, investment and tourism matters;
- continue to oversee collaboration among agencies responsible for promoting trade and inward investment for Hong Kong overseas;
- continue to work with the industry to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital;
- continue to promote co-operation between major convention and exhibition facilities to achieve better utilisation, and closely monitor Hong Kong's long-term demand for additional facilities;
- continue to support the further development of wine-related businesses in Hong Kong;
- carry on the study on the future development of GETS;
- continue to implement the relevant recommendations of the Task Force on Manpower Development of the Retail Industry;
- continue to monitor the operation of the time-limited special concessionary measures under the SFGS;
- strengthen efforts to enhance the development of Hong Kong as a premier IP trading hub in the region;
- introduce a bill to implement the “original grant” patent system in Hong Kong;
- continue to work with stakeholders to enhance copyright protection in the digital environment;
- continue to oversee efforts to promote respect for IP rights in the business sector, particularly amongst SMEs; and
- consider whether and how best to implement the Madrid Protocol in Hong Kong taking into account the outcome of the consultation.

Programme (3): Subvention: Hong Kong Trade Development Council

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	389.5	393.4	393.4 (—)	393.4 (—)
				(or same as 2014–15 Original)

Aim

8 The aim is to help the Hong Kong Trade Development Council (HKTDC) perform its statutory functions, i.e. to promote, assist and develop Hong Kong's trade with places outside Hong Kong, with particular reference to exports; and to make such recommendations to the Government as it sees fit in relation to any measures which it considers would achieve an increase in Hong Kong's trade.

Brief Description

9 A statutory body established in 1966, the HKTDC is the international marketing arm for Hong Kong-based traders, manufacturers and services providers. With more than 40 offices worldwide, including 13 in the Mainland, the HKTDC:

- promotes Hong Kong as a platform for doing business with the Mainland and throughout Asia;
- organises trade fairs and major conferences, e-marketplace on hktdc.com, international trade promotion events and business missions to connect Hong Kong companies with opportunities in the Mainland and around the world;
- provides market information via trade publications, research reports and its research portal;
- provides comprehensive development and training programmes to assist Hong Kong companies penetrating new markets and niche sectors; and
- reinforces Hong Kong as a global marketplace in the Asia-Pacific region through corporate relations and business promotion activities around the world, including support for six bilateral committees and 38 Hong Kong business associations in 27 countries.

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10 The key performance measures in respect of promoting Hong Kong's external trade are:

Indicators

	2013 (Actual)	2014 (Actual)	2015 (Estimate)
trade and services promotion			
events	816	841	830
companies participating	72 781	74 455	74 300
local fairs			
no. of Mainland and overseas buyers	377 409	402 671	407 400
no. of fairs	35	35	35
business-matching enquiries worldwide			
no. of business enquiries handled	2 566 600	2 845 600	2 900 000
no. of business connections made	15 073 600	16 209 700	16 500 000
trade publications			
worldwide circulation (million)	2.7	3.1	3.1
no. of issues	112	134	132
no. of advertisers on HKTDC's trade portal (hktcdc.com).....	33 400	34 990	35 400

Matters Requiring Special Attention in 2015–16

11 During 2015–16, the HKTDC will:

- help Hong Kong companies capitalise on new business opportunities arising from the new global economic order by deepening penetration into ASEAN and Indian markets and leveraging regional hubs as a gateway for the respective emerging markets; helping Hong Kong exporters capitalise on the gradual recovery of the traditional markets; building Hong Kong brands in the Mainland market; capitalising on Mainland's focus on urbanisation and production transformation to deepen the penetration of Hong Kong's service sectors into the Mainland; reinforcing Hong Kong's position as the bridgehead for Mainland enterprises' outward investment; and helping Hong Kong companies seize opportunities in the food and agricultural sector;
- promote Hong Kong as Asia's global business platform by showcasing Hong Kong's full range of services through HKTDC's flagship events; positioning Hong Kong as Asia's IP marketplace and innovation hub; establishing Hong Kong as the go-to platform for global companies eyeing the Asian region; positioning Hong Kong as Asia's international maritime centre; leveraging the marketing and brand building capability of HKTDC trade fairs to promote Hong Kong as Asia's lifestyle trendsetter; and providing a seamlessly integrated online-offline sourcing experience for global traders; and
- enhance the competitiveness of Hong Kong SMEs and start-ups in the digital era by assisting Hong Kong SMEs and start-ups to capture business opportunities arising from the e-tailing trend; developing a comprehensive programme to cultivate entrepreneurial spirit and nurture the growth of SMEs and start-ups; helping SMEs identify alternative production bases; strengthening engagement with the general public and major stakeholders leveraging social media; and leveraging the mobility trend to enhance the effectiveness of HKTDC promotions and engagement with stakeholders.

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

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	19.8	8.8	10.9 (+23.9%)	9.0 (-17.4%)
				(or +2.3% on 2014–15 Original)

Aim

12 The aims are to promote economic efficiency in the delivery of postal services; to promote competition; and to protect consumer interests.

Brief Description

13 The Branch's main responsibilities under this programme are to formulate policies and programmes in relation to postal services, the promotion of economic efficiency and free market through competition, and the protection of consumer interests.

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14 During 2014–15, the Branch:

- worked closely with the Judiciary and the Competition Commission (the Commission) to prepare for the full implementation of the Competition Ordinance (Cap. 619) (CO);
- published the annual report of the Competition Policy Advisory Group (COMPAG) for the year 2013–14 on the COMPAG website, and continued to co-ordinate the work of government bureaux and departments in promoting competition;
- monitored the effectiveness of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 in tackling unfair trade practices that might be deployed in consumer transactions; and
- brought the Toys and Children’s Products Safety (Amendment) Ordinance 2013 and the Toys and Children’s Products Safety (Additional Safety Standards or Requirements) Regulation into operation to impose concentration limits for phthalates in selected classes of toys and child care products so as to provide greater protection to children.

Matters Requiring Special Attention in 2015–16

15 During 2015–16, the Branch will:

- continue to monitor the implementation of the amended Trade Descriptions Ordinance (Cap. 362) in tackling unfair trade practices that may be deployed in consumer transactions,
- take forward necessary subsidiary legislative proposals made under the CO as part of the preparatory work for the full implementation of the CO, and
- continue to ensure the smooth operation of the Post Office Trading Fund and take measures to improve customer service and productivity where appropriate.

Programme (5): Subvention: Consumer Council

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	91.8	102.9	107.2 (+4.2%)	108.3 (+1.0%)
				(or +5.2% on 2014–15 Original)

Aim

16 The aim is to protect and promote the interests of consumers of goods and services.

Brief Description

17 The Consumer Council (the Council) is an independent body established under the Consumer Council Ordinance (Cap. 216). The Council discharges its functions by:

- collecting, receiving and disseminating information concerning goods, services and immovable property;
- examining complaints and giving advice to consumers;
- tendering advice to the Government on ways to enhance consumer protection;
- conducting product tests and research;
- encouraging business and professional associations to establish codes of practice to regulate the activities of their members;
- monitoring trade practices;
- facilitating consumers to seek redress through the use of the Consumer Legal Action Fund; and
- empowering consumers through education and publicity campaigns.

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18 The key performance measures in respect of protection and promotion of consumer interests are:

Targets

	Target	2013 (Actual)	2014 (Actual)	2015 (Plan)
handling consumer enquiries				
telephone calls answered within three minutes (%).....	80	85	85	85
waiting time for over-the-counter enquiry service not to exceed ten minutes (%).....	100	100	100	100
issuing reply in writing (working days).....	15	12	12	12
handling consumer complaints				
telephone calls answered within three minutes (%).....	80	85	85	85
in writing				
issuing preliminary reply (working days).....	7	7	6	6
notifying complainants of results/progress (working days).....	16	16	16	16
publications of “CHOICE” and release of product testing, research and survey results once per month (%).....	100	100	100	100

Indicators

	2013 (Actual)	2014 (Actual)	2015 (Estimate)
consumer complaints.....	30 006	31 048	31 500
consumer enquiries.....	114 659	104 559	107 000
product tests [^]	43	43	43
consumer surveys [^]	23	25	25
in-depth studies [^]	28	27	27
studies of general interest [^]	15	18	18
response to consultation from the Government and other public bodies [#]	28	23	23
consumer educational programmes.....	218	220	220
circulation of publications.....	285 000	300 000	310 000

[^] Each year, the Council conducts product tests, consumer surveys, in-depth studies and studies of general interest. Manpower and resources are deployed in accordance with the respective resource demands of researches and studies scheduled for the year.

[#] Number of response to consultation is reactive in nature. The figure for the coming year is an indicative forecast only, which is subject to the number of consultation conducted by the Government and other public bodies during the year.

Matters Requiring Special Attention in 2015–16

19 During 2015–16, the Council will:

- undertake new studies to support policy advocacy in consumer protection and to promote sustainable consumption,
- explore means to widen the readership of the “CHOICE” Magazine, and
- continue with the efforts to improve the Council’s website to strengthen online communication with and education for consumers and stakeholders.

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Programme (6): Travel and Tourism

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	158.7	208.2	208.8 (+0.3%)	238.1 (+14.0%)
				(or +14.4% on 2014–15 Original)

Aim

20 The aim is to maintain Hong Kong's position as a key tourist destination in Asia.

Brief Description

21 The Branch's main responsibilities under this programme are to:

- formulate policies on tourism development; and
- co-ordinate implementation of tourism projects and initiatives in consultation with the industry, relevant government departments and agencies.

22 During 2014–15, the Branch:

- continued to support the Travel Industry Council of Hong Kong (TIC) in implementing measures for regulating the operation of the Mainland inbound tour groups and improving the regulation of tourist guides;
- continued with the regulation of travel agents under the existing operation and regulatory framework of the tourism sector;
- continued with the drafting of the new legislation and other preparatory work for the establishment of the proposed statutory Travel Industry Authority (TIA) under the new regulatory framework of the tourism sector;
- continued to monitor and support the operations of the Hong Kong Tourism Board (HKTB);
- supported the HKTB in continuing its promotion of multi-destination itineraries in key source markets and marketing efforts in new markets as well as non-Guangdong provinces of the Mainland;
- continued to work with the HKTB to enhance promotion of Hong Kong as a premier Meetings, Incentive Travels, Conventions and Exhibitions (MICE) destination and offer necessary support to prominent MICE events;
- continued to work with the trade, the HKTB, the TIC, the Council and the Mainland authorities to promote honest and quality tourism;
- liaised with relevant Mainland authorities to facilitate the implementation of CEPA and other tourism-related measures;
- continued the development of the Kai Tak Cruise Terminal and worked closely with the Advisory Committee on Cruise Industry to develop Hong Kong into a leading cruise hub in the region;
- continued to work through the joint venture company to enhance the Hong Kong Disneyland's operational performance and to facilitate the implementation of the Hong Kong Disneyland expansion plan including the new hotel development;
- continued with the housekeeping responsibility for the Ocean Park Corporation and facilitated its implementation of the waterpark and hotel projects;
- continued to utilise the Mega Events Fund for supporting large-scale arts, cultural, sports and entertainment events in Hong Kong organised by eligible bodies under the modified two-tier scheme;
- co-ordinated with the HKTB and relevant parties to further showcase Hong Kong as a premier destination for fine food and wine;
- worked with the HKTB, the tourism sector and relevant government departments to promote the green tourism products on offer in Hong Kong;
- co-ordinated with relevant government departments and the tourism sector to facilitate the smooth operation of the Hong Kong Wetland Park and Ngong Ping 360; and
- co-ordinated with government departments and relevant bodies on other policy and project initiatives to promote tourism development.

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Matters Requiring Special Attention in 2015–16

23 During 2015–16, the Branch will:

- continue to co-ordinate work on policy and project initiatives to facilitate tourism development;
- introduce the draft legislation for the establishment of the TIA into LegCo;
- continue to support the promotion work of the HKTB in key source markets, and its marketing efforts in new markets;
- continue to support the HKTB in MICE promotion work;
- continue to support and co-ordinate with the HKTB, the trade and relevant training institutions to facilitate supply of talents and enhance promotional efforts for the MICE, cruise and related tourism sectors;
- together with local stakeholders and Mainland tourism authorities, continue to promote honest tourism and hospitality culture to further enhance the quality of Hong Kong’s tourism services;
- continue to work closely with the Advisory Committee on Cruise Industry, the operators of the two cruise terminals, and the HKTB to develop Hong Kong into a leading cruise hub in the region;
- discuss the Phase 2 development of the Hong Kong Disneyland Resort with The Walt Disney Company;
- continue to work closely with the Ocean Park Corporation to facilitate its implementation of the waterpark and hotel projects with a view to strengthening Hong Kong’s position as a premier destination for family visitors in the region; and
- continue to work with the HKTB, the tourism sector and relevant government departments in promoting nature-based tourism products in Hong Kong.

Programme (7): Subvention: Hong Kong Tourism Board

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	570.2	655.7	667.9 (+1.9%)	747.9 (+12.0%)
				(or +14.1% on 2014–15 Original)

Aim

24 The aim is to promote inbound tourism and maximise the socio-economic contribution that tourism makes to Hong Kong.

Brief Description

25 The HKTB is a statutory body subvented by the Government. The objectives of the HKTB are to:

- endeavour to increase the contribution of tourism to Hong Kong;
- promote Hong Kong globally as a leading international city in Asia and a world class tourist destination;
- promote the improvement of facilities for visitors;
- support the Government in promoting to the community the importance of tourism;
- support, as appropriate, the activities of persons and organisations providing services for visitors to Hong Kong; and
- make recommendations to and advise the Government on measures which may further any of the foregoing objectives.

26 Funds invested by the HKTB in promotional activities aim at stimulating the growth of the number of visitors to Hong Kong and maximising their spending.

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27 The effectiveness of the performance of the HKTB cannot be assessed entirely in quantifiable terms. However, the statistics below help illustrate the overall position and forecasts of the Hong Kong tourism industry.

Indicators

	2013 (Actual)	2014 (Revised Estimate) Δ	2015 (Estimate) Δ
visitor arrivals (million)	54.3	60.8	64.7
increase on previous year (%) Ψ	+11.7	+12.0	+6.4
tourism expenditure associated with inbound tourism (\$ billion) \P	329.6	358.2	378.1
increase on previous year (%) Ψ	+13.9	+8.7	+5.5
expenditure per capita overnight visitor (\$) Ω	8,123	7,975	8,062
increase on previous year (%) Ψ	+3.9	-1.8	+1.1
length of stay of overnight visitors (nights) β	3.4	3.3	3.3
satisfaction of overnight visitors (score out of 10) β	8.3	8.2	8.2

Δ The 2014 revised estimate and 2015 estimate are subject to changes. Any global or regional economic uncertainties, security threats and health risks may affect the above estimates but cannot be foreseen at this stage.

Ψ The percentage increase is based on the comparison of absolute figures before rounding up.

\P This includes receipts of Hong Kong-based carriers for the cross-boundary transportation of non-resident visitors as estimated by the Census and Statistics Department. The expenditure was \$48 billion for 2013. The projections for 2014 and 2015 are \$51.3 billion and \$52.6 billion respectively.

Ω Spending by servicemen, aircrew members and transit/transfer passengers is excluded.

β Length of stay of overnight visitors is derived based on the visitor entry/exit statistics provided by the Immigration Department. Satisfaction score is estimated based on the HKTB's Departing Visitor Survey conducted at major control points throughout the year. It is represented by a ten-point scale, in which "ten" (maximum score) means "very satisfied" and "one" means "very dissatisfied".

Matters Requiring Special Attention in 2015–16

28 During 2015–16, the HKTB will:

- continue to adopt the following investment strategies to diversify the visitor portfolio, maximise cost-effectiveness and uphold Hong Kong's standing as an international city:
 - investing over 75 per cent of its total marketing budget in the international, non-Mainland markets;
 - focusing its resources on 20 key visitor source markets; and
 - prioritising marketing resources to areas of growth;
- continue to launch the "My Time for Hong Kong" image-boosting campaign in key markets through digital marketing and public relations programmes to showcase the city's rich diversity of experiences, riding on the growing trend of experience travel:
 - maximising reach to consumers through different digital platforms, including the DiscoverHongKong.com website, YouTube and social media sites such as Facebook, Sina Weibo and WeChat, as well as mobile applications, in particular, stepping up efforts to facilitate user content generation and encourage consumer sharing through such platforms as the Hong Kong Insider's Guide, My Hong Kong Guide mobile app, and videos featuring the unique experiences of local insiders in Hong Kong; and
 - capitalising on the power of social influencers from different markets and high-impact international and regional TV networks to maximise exposure and publicity for Hong Kong;
- strengthen the image of Hong Kong as a premier tourist destination, particularly in short-haul markets, through stepping up above-the-line media promotion overseas; creating a festive ambience for shopping in Hong Kong; scaling up overseas consumer shows and travel missions; and organising familiarisation visits to Hong Kong for major trade partners from these markets;
- drive MICE tourism and consolidate Hong Kong's image as the "World's meeting place" by:
 - securing high-profile MICE events through scaling up the bidding package as well as providing more attractive and targeted services for MICE organisers and visitors, and through partnership with association management companies, professional convention organisers and business associations in key source markets;
 - boosting event attendance through the "Hong Kong Rewards" incentive programme;
 - promoting new facilities, venues and services to showcase Hong Kong's wide range of MICE offerings that can accommodate different group sizes and needs; and

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- focusing on six key industry sectors to grow the convention business, namely medical science, social science, science, technology, engineering, and commerce;
- lay the foundation for long-term cruise development and aggressively reinforce Hong Kong’s position as Asia’s cruise hub by:
 - cultivating key source markets through comprehensive consumer demand generation initiatives;
 - fostering regional co-operation through the Asia Cruise Fund and launching trade marketing campaigns, with a view to driving ship deployment to Hong Kong; and
 - raising Hong Kong’s profile and increasing its exposure at international and regional cruise industry events;
- continue to launch major promotional campaigns throughout the year and further enrich and upgrade product offerings of the campaigns to increase destination appeal, with the following strategies:
 - enhancing the contents and quality of the mega events and campaigns, while continuing to solicit new sponsorships and partnership with organisations from different sectors;
 - continuing to stage a 3D mapping show to achieve synergy with various HKTB events and enrich the events calendar; and
 - bundling appealing third-party events in the campaigns, while drumming up publicity for sports events and arts and cultural products;
- cultivate business opportunities for the travel trade by:
 - continuing to participate in overseas trade shows and organise travel missions and familiarisation programmes for the travel trade to promote their offerings to their overseas counterparts and consumers, while finding ways to add value to the participants, as well as inviting new members from the Hong Kong travel and related trade to join these activities; and
 - continuing to encourage the local trade to develop new tour products through the New Tour Product Development Scheme, and stepping up promotion of these new products in visitor source markets;
- enhance visitor satisfaction by:
 - continuing to promote the Quality Tourism Services Scheme to enhance awareness among visitors, and providing merchant members with service training;
 - expanding the service scope of the dedicated concierge hotline, which provides support to the concierges of key hotels and shopping malls in assisting in-town visitors; and
 - organise hospitality campaigns to promote a hospitable culture in Hong Kong;
- continue co-operation with Guangdong, Macao and other cities in the Pan-Pearl River Delta to develop and promote multi-destination itineraries featuring Hong Kong.

Programme (8): Public Safety

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	0.5	0.5	0.5 (—)	0.5 (—)

(or same as
2014–15 Original)

Aim

29 The aim is to provide high standards of weather information services for the public and specialised users such as the aviation and shipping community.

Brief Description

30 The Branch’s main responsibility under this programme is to formulate policies in relation to weather services.

31 During 2014–15, the Branch:

- oversaw the provision of weather services to the general public as well as the aviation, shipping and other sectors with special requirements; and
- oversaw the construction of a station for housing a new weather radar for windshear detection for use by the Hong Kong Observatory (HKO).

Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

Matters Requiring Special Attention in 2015–16

32 During 2015–16, the Branch will continue to oversee the provision of weather information services by HKO and the operation of the new weather radar station for windshear detection.

Programme (9): Subvention: Competition Commission

	2013–14 (Actual)	2014–15 (Original)	2014–15 (Revised)	2015–16 (Estimate)
Financial provision (\$m)	87.7	83.9	86.4 (+3.0%)	75.9 (–12.2%)
				(or –9.5% on 2014–15 Original)

Aim

33 The aim is to help the Commission to implement the CO.

Brief Description

34 The Commission is an independent statutory body established under the CO in 2013. The Commission’s statutory functions are to :

- investigate conduct that may contravene the competition rules and enforce the provisions of the CO;
- promote public understanding of the value of competition and how the CO promotes competition;
- promote the adoption by undertakings carrying on business in Hong Kong of appropriate internal controls and risk management systems, to ensure their compliance with the CO;
- advise the Government on competition matters in Hong Kong and outside Hong Kong;
- conduct market studies into matters affecting competition in markets in Hong Kong; and
- promote research into and the development of skills in relation to the legal, economic and policy aspects of competition law in Hong Kong.

Matters Requiring Special Attention in 2015–16

35 During 2015–16, the Commission will:

- continue to work with the Government to prepare for the full implementation of the CO;
- conduct consultation with the LegCo and relevant stakeholders on the draft regulatory guidelines and other documents as required under the CO;
- continue to build up the capacity of the executive arm of the Commission to prepare for the full implementation of the CO;
- conduct publicity programmes to promote public understanding of and compliance with the CO;
- work with the business community to develop risk management systems, good practices and internal controls as tools to achieve compliance with the CO; and
- maintain liaison with competition authorities of other jurisdictions and international resource networks.

Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

ANALYSIS OF FINANCIAL PROVISION

Programme	2013–14 (Actual) (\$m)	2014–15 (Original) (\$m)	2014–15 (Revised) (\$m)	2015–16 (Estimate) (\$m)
(1) Director of Bureau's Office	9.9	11.2	11.5	11.9
(2) Commerce and Industry	152.6	180.4	180.2	244.2
(3) Subvention: Hong Kong Trade Development Council.....	389.5	393.4	393.4	393.4
(4) Posts, Competition Policy and Consumer Protection.....	19.8	8.8	10.9	9.0
(5) Subvention: Consumer Council	91.8	102.9	107.2	108.3
(6) Travel and Tourism.....	158.7	208.2	208.8	238.1
(7) Subvention: Hong Kong Tourism Board.....	570.2	655.7	667.9	747.9
(8) Public Safety	0.5	0.5	0.5	0.5
(9) Subvention: Competition Commission	87.7	83.9	86.4	75.9
	1,480.7	1,645.0	1,666.8 (+1.3%)	1,829.2 (+9.7%)
				(or +11.2% on 2014–15 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2015–16 is \$0.4 million (3.5%) higher than the revised estimate for 2014–15. This is mainly due to the increased provision for salary expenses.

Programme (2)

Provision for 2015–16 is \$64.0 million (35.5%) higher than the revised estimate for 2014–15. This is mainly due to the increased cash flow requirement for the Measures for Manpower Development of Retail Industry, increased provision for supporting the promotion of intellectual property trading, continued need to support the Economic Development Commission, and the increased estimate for the subscription to the WTO. In addition, two posts will be created in 2015–16.

Programme (3)

Provision for 2015–16 is the same as the revised estimate for 2014–15. The actual amount of annual subvention to the HKTDC is determined having regard to a number of factors, including the Government's financial position, HKTDC's funding requirements and by way of reference to the total amount of trade declaration charges received in the preceding year.

Programme (4)

Provision for 2015–16 is \$1.9 million (17.4%) lower than the revised estimate for 2014–15. This is mainly due to the exclusion of provisions for the salary and allowance of the government officers seconded to the Commission which are not required in 2015–16.

Programme (5)

Provision for 2015–16 is \$1.1 million (1.0%) higher than the revised estimate for 2014–15. This is mainly due to the increased provision of manpower resources for the Council.

Programme (6)

Provision for 2015–16 is \$29.3 million (14.0%) higher than the revised estimate for 2014–15. This is mainly due to the increased cash flow requirement for the Mega Events Fund, partly offset by the decreased provision for ad hoc tourism promotion initiatives. In addition, three posts will be created in 2015–16.

**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC
DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

Programme (7)

Provision for 2015–16 is \$80.0 million (12.0%) higher than the revised estimate for 2014–15. This is due to the increased provision for strengthening the image of Hong Kong as a premier tourist destination.

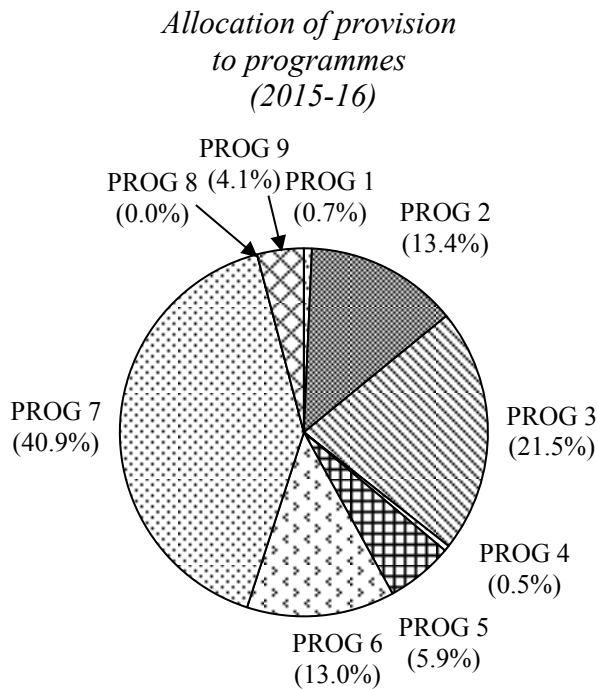
Programme (8)

Provision for 2015–16 is the same as the revised estimate for 2014–15.

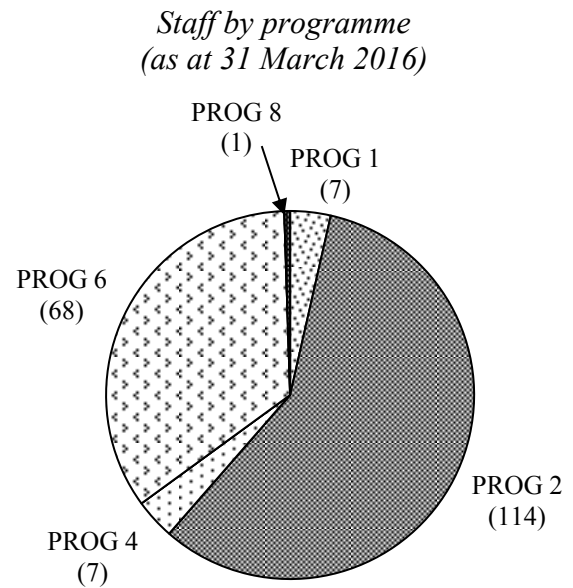
Programme (9)

Provision for 2015–16 is \$10.5 million (12.2%) lower than the revised estimate for 2014–15. This is mainly due to the exclusion of time-limited subvention in support of the Commission's general need in its initial years of operation.

Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

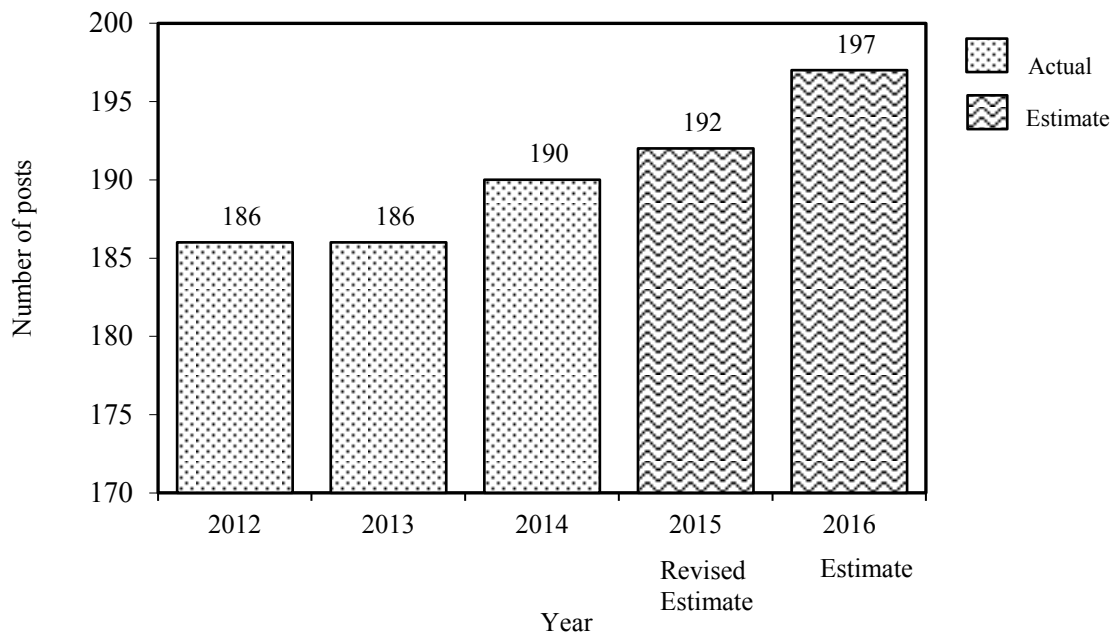


(Provision for PROG 8 represents 0.03 per cent of the overall provision. The percentage is not shown here due to rounding)



(No government staff under PROG 3, 5, 7 & 9)

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



**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC
DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

Sub-head (Code)	Actual expenditure 2013-14	Approved estimate 2014-15	Revised estimate 2014-15	Estimate 2015-16	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	1,457,582	1,607,198	1,635,253	1,715,604
	Total, Recurrent	1,457,582	1,607,198	1,635,253	1,715,604
Non-Recurrent					
700	General non-recurrent	23,112	37,762	31,497	108,848
	Total, Non-Recurrent	23,112	37,762	31,497	108,848
	Total, Operating Account	1,480,694	1,644,960	1,666,750	1,824,452
Capital Account					
Subventions					
955	Consumer Council	—	—	—	4,704
	Total, Subventions	—	—	—	4,704
	Total, Capital Account	—	—	—	4,704
	Total Expenditure	1,480,694	1,644,960	1,666,750	1,829,156

Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

Details of Expenditure by Subhead

The estimate of the amount required in 2015–16 for the salaries and expenses of the Commerce, Industry and Tourism Branch is \$1,829,156,000. This represents an increase of \$162,406,000 over the revised estimate for 2014–15 and of \$348,462,000 over the actual expenditure in 2013–14.

Operating Account

Recurrent

2 Provision of \$1,715,604,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Commerce, Industry and Tourism Branch.

3 The establishment as at 31 March 2015 will be 191 permanent posts and one supernumerary post. It is expected there will be an increase of five posts in 2015–16. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2015–16, but the notional annual mid-point salary value of all such posts must not exceed \$102,316,000.

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

	2013–14 (Actual) (\$'000)	2014–15 (Original) (\$'000)	2014–15 (Revised) (\$'000)	2015–16 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	131,692	131,123	139,182	143,452
- Allowances.....	4,650	4,356	4,257	3,584
- Job-related allowances.....	2	4	2	4
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	189	159	242	139
- Civil Service Provident Fund contribution.....	4,049	4,343	4,522	5,056
- Disturbance allowance.....	86	197	52	—
Departmental Expenses				
- General departmental expenses	132,581	181,870	185,244	193,747
Other Charges				
- Subscription to the World Trade Organization	41,530	45,683	43,254	45,194
Subventions				
- Consumer Council	91,821	102,868	107,181	103,594
- Hong Kong-Japan Business Co-operation Committee	3,610	3,610	3,610	3,610
- Hong Kong Tourism Board	570,157	655,729	667,897	747,897
- Hong Kong Trade Development Council.....	389,537	393,391	393,391	393,391
- Competition Commission	87,678	83,865	86,419	75,936
	1,457,582	1,607,198	1,635,253	1,715,604

**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC
DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment \$'000	Accumulated expenditure to 31.3.2014 \$'000	Revised estimated expenditure for 2014–15 \$'000	Balance \$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
	012	Professional Services Development Assistance Scheme.....	100,000	97,499	1,930	571
	483	Launching campaign of major tourism infrastructure projects	8,600	8,263	—	337
	818	Measures for Manpower Development of Retail Industry	130,000	—	9,637	120,363
	834	Mega Events Fund.....	150,000	34,263	19,930	95,807
	835	Consultancy on the Phase 2 development of the Hong Kong Disneyland Resort§.....	27,300§	—	—	27,300
			<u>415,900</u>	<u>140,025</u>	<u>31,497</u>	<u>244,378</u>
<i>Capital Account</i>						
955	<i>Consumer Council</i>					
	860	Upgrading and replacement of email and storage system, and internet security system of the Consumer Council.....	5,147	—	—	5,147
			<u>5,147</u>	<u>—</u>	<u>—</u>	<u>5,147</u>
		Total	<u>421,047</u>	<u>140,025</u>	<u>31,497</u>	<u>249,525</u>

§ This is a new item, funding for which is included in the draft 2015–16 Estimates for consideration by the Legislative Council in the context of the Appropriation Bill.