

立法會
Legislative Council

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**Report of the Panel on Commerce and Industry
for submission to the Legislative Council**

Purpose

This report gives an account of the work of the Panel on Commerce and Industry during the 2014-2015 session of the Legislative Council. It will be tabled at the Council meeting on 24 June 2015 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

The Panel

2. The Panel was formed by a resolution passed by the Council on 8 July 1998 and as amended on 20 December 2000, 9 October 2002, 11 July 2007 and 2 July 2008 for the purpose of monitoring and examining Government policies and issues of public concern relating to commerce and industry. The terms of reference of the Panel are in **Appendix I**.

3. The Panel comprises 14 members. Hon WONG Ting-kwong and Hon Vincent FANG Kang were elected Chairman and Deputy Chairman of the Panel respectively. The membership list of the Panel is in **Appendix II**.

Major work

Support measures for small and medium enterprises

4. During the session, the Panel had closely followed up on the implementation of various funding schemes and support measures for small and medium enterprises ("SMEs") to enhance their overall competitiveness. The Administration was urged to review and fine-tune the operation of the funding schemes and support measures from time to time in light of industry feedback and market needs to ensure timely and adequate support for SMEs. The Administration will brief the Panel on the details of the

proposed increase in commitment and enhancement measures for the SME Export Marketing Fund and SME Development Fund announced in the 2015-2016 Budget¹ at the Panel meeting to be held on 16 June 2015.

Dedicated Fund on Branding, Upgrading and Domestic Sales ("BUD Fund")

5. The Panel was briefed on the latest implementation progress of the BUD Fund which comprised the Enterprise Support Programme ("ESP") and the Organization Support Programme. Members noted with concern the high withdrawal rate (around 23%) and low approval rate (around 30%) of ESP applications. Concern was also raised about the high service fees charged by some agencies for assisting SMEs to apply for the ESP. Members urged the Administration to provide clear application guidelines to help applicant enterprises understand the application criteria and procedures so that enterprises need not seek the assistance of intermediaries. Given the huge expenses and long-term efforts required for developing brands and promoting sales in the Mainland market, some members suggested that the Administration should consider raising the ESP cumulative funding ceiling of \$500,000 per enterprise, or reducing the percentage of contribution from enterprises which was currently set at 50% of the total approved project cost.

6. Pointing out that funded enterprises that had successfully expanded their business in the Mainland would benefit not only their own business but would also bring about tangible benefits to Hong Kong's overall economy, some members called on the Administration not to be too conservative in supporting the business sector as long as an open and transparent application vetting mechanism was in place to fend off criticisms of transferring benefits to private companies. Some other members opined that concrete measurable yardsticks should be drawn up to evaluate the effectiveness of the ESP.

7. The Administration advised that it was committed to creating a business-friendly environment to promote the development of commerce and industry while striking a balance between ensuring prudent use of public money and providing adequate support to the enterprises. Various initiatives had been implemented to assist enterprises, in particular SMEs, in applying for the ESP. Even if the BUD Fund might not have

¹ The Financial Secretary announced in the 2015-2016 Budget the proposed injection of \$1.5 billion into the SME Export Marketing Fund ("EMF") and SME Development Fund ("SDF"), increase in the maximum amount of funding support for each SDF project from \$2 million to \$5 million, and expansion of the scope of the EMF.

immediate effect on sales and business development of the funded enterprises, funding from the BUD Fund could enhance the overall competitiveness of the funded enterprises and lay the foundation for their further development in the Mainland market.

Assistance for small and medium enterprises affected by the Occupy Movement

8. Members were gravely concerned that the businesses of many SMEs in various sectors, in particular retail, tourism, catering and transportation, had been adversely affected by the Occupy Movement. Members called on the Administration to urge the participating lending institutions of the existing SME funding schemes to simplify the loan application procedures, expedite the processing of applications and be more flexible in processing applications so as to provide quick cash-flow relief for the affected SMEs to tide over their liquidity problem and sustain their businesses. Some members suggested that the Administration should consider providing direct financial assistance such as one-month rental and/or introducing special relief measures such as rates and sewage charge concessions, and waiving the fees of restaurant and liquor licence and the late payment surcharge of government licence fees and charges, etc.

9. The Administration advised that it had been closely monitoring Occupy Movement's impact on business operations of SMEs and had appealed to lending institutions to assist SME applicants as far as possible. The Administration would continue to maintain close liaison with the affected trades and sectors to provide timely support to the affected enterprises. The Financial Secretary had announced in the 2015-2016 Budget a number of support measures² for SMEs of the affected sectors.

Trade and economic relations

10. Members followed closely the development of Hong Kong's economic and trade relations with key markets and were pleased to note that the free trade agreement ("FTA") negotiations between Hong Kong and the Association of Southeast Asian Nations ("ASEAN") had commenced in July 2014. Members called on the Administration to actively forge bilateral or plurilateral FTAs and conclude more Investment Promotion and Protection Agreements with major trading partners to secure favourable

² These measures include waiving licence fees for travel agents, hotels and guesthouses, restaurants and hawkers and restricted food permits for six months as well as vehicle examination fees for the renewal of vehicle licences of taxis, light buses, franchised and non-franchised buses, goods vehicles, trailers and special purpose vehicles once within a year.

market access for Hong Kong goods and services and attract foreign investments to Hong Kong. The Administration advised that every effort would be made to conclude the FTA negotiations with ASEAN as soon as possible and expand the FTA network with other economies.

Trade and economic relations with Taiwan

11. The Panel discussed the latest developments of economic and trade co-operation between Hong Kong and Taiwan. Members urged the Hong Kong Economic, Trade and Cultural Office in Taiwan ("HKETCO"), in collaboration with the Hong Kong Trade Development Council ("HKTDC"), Hong Kong Tourism Board and Invest Hong Kong ("InvestHK"), to further strengthen liaison with different sectors and business organizations in Taiwan and promote exchanges between Hong Kong and Taiwan on various fronts, in particular trade, investment, culture, tourism, professional services including legal, banking, testing and certification services, creative industries and other areas of mutual interests through various large-scale events, trade missions and forums etc.

12. The Administration advised that the two governments had agreed on more than 20 priority areas of co-operation. The Administration would continue to actively follow up with the Taiwan authority to kick start substantive discussions on the establishment of a comprehensive framework of economic and trade co-operation, similar to the Mainland and Hong Kong Closer Economic Partnership Arrangement or Cross-Straits Economic Co-operation Framework Agreement.

Strengthening Hong Kong's global Economic and Trade Office ("ETO") network

13. The Panel commended the work of the overseas and the Mainland ETOs and called for their continued co-operation with relevant government departments and subvented organizations to enhance Hong Kong's presence and promote Hong Kong's economic and trade interests in their respective regions. While appreciating ETOs' work in promoting cultural co-operation and exchanges between Hong Kong and countries under their respective coverage, some members suggested that the ETOs should be retitled to better reflect their role on cultural promotion. The Administration advised that although the title of the ETOs did not bear out their role on the cultural front, promotion of cultural exchanges had always been and would continue to be an on-going focus of ETO's work.

14. Some members were concerned that news of the Occupy Movement as well as incidents of harassment of Mainland visitors and anti-parallel

trading protests would adversely affect the image of Hong Kong and arouse international community's concern about safety in Hong Kong, thereby discouraging business and leisure visitors to Hong Kong. Moreover, prolonged political bickering that holds up the implementation of government policies and proposals might have dampened foreign investors' confidence in Hong Kong. Members called on the overseas and Mainland ETOs to help reflect the overall situation in Hong Kong and step up publicity on Hong Kong's hospitality for tourists so as to rebuild international investors' confidence in Hong Kong. The Administration advised that the ETOs had briefed their interlocutors in the relevant government bodies, business communities and the media in their respective regions on the latest situation in Hong Kong to put across the message to overseas business communities that Hong Kong remained a hospitable city and a free and safe society. ETOs would continue their work in this regard.

15. Members generally supported strengthening the ETO network in the Mainland to help Hong Kong enterprises to tap the vast business opportunities in the Mainland, provide timely assistance to Hong Kong enterprises and residents in the Mainland, relay their views and concerns to the relevant Mainland authorities, and enhance the homeland relationship between Hong Kong and the Mainland. In view of the weak economic outlook of advanced economies and the gradual shift of the global economic balance towards the east, members considered it imperative to actively explore the feasibility of setting up ETOs on a smaller scale in emerging economies, such as the member states of the ASEAN, India, the Middle East and Central America, etc. to strengthen economic relations with the emerging markets. The Administration advised that the Government would review the geographical coverage of the existing ETOs and assess the need for new ETOs having regard to operational needs, Hong Kong's economic and trade relations with the concerned economies and availability of resources. With the concerted efforts of the Singapore ETO and the HKTDC, Hong Kong business associations had been set up in the Philippines, Malaysia, Indonesia in addition to those in Singapore, Thailand and Vietnam.

Promotion of inward investment

16. The Panel was updated on InvestHK's key investment promotion activities in 2014 and the way forward for 2015. The Panel attached great importance to the promotion of inward investment and had been keeping a close watch on relevant policies to ensure that Hong Kong stayed competitive in attracting foreign direct investment to drive economic growth, spur innovation, and create jobs. While affirming InvestHK's

sector-focused and market-oriented approach to attract and retain foreign direct investment in key markets and in target sectors, such as financial services, innovation and technology ("I&T"), green technology and creative industries, some members suggested to bolster the efforts on the pharmaceutical industry given Hong Kong's strengths in testing and certification services. InvestHK was advised to accord priority to attracting overseas and Mainland pharmaceutical companies to set up manufacturing and processing operations in Hong Kong and have their products produced and tested in Hong Kong for access to the Mainland market and export to overseas.

17. Members were concerned that many multinational technology companies had chosen to expand their businesses in other Asian economies that offered favourable investment incentives to overseas technology companies. Highlighting the important role and input of overseas technology companies in cross fertilization of ideas and spurring technology, members urged InvestHK to make targeted efforts to promote Hong Kong as a premier startup destination and hub in Asia and to proactively attract high-growth and scalable technology companies from overseas and the Mainland to set up operations in Hong Kong. The Administration advised that InvestHK had been promoting various funding schemes to attract overseas creative industries, I&T young entrepreneurs and start-ups to set up companies in Hong Kong, and would enhance its StartmeupHK website and continue with its StartmeupHK Venture Programme in 2015 to further promote Hong Kong as a leading hub for start-ups.

18. In view of Hong Kong's strategic position in the heart of Asia, members considered it important that InvestHK should continue to accord priority to the Mainland market and the ASEAN, promoting Hong Kong as an ideal platform for Mainland companies to go global and an attractive business destination for overseas enterprises to base their regional operations. The Administration advised that the Mainland market would remain a priority of investment promotion work in 2015. In addition to Singapore, InvestHK would step up its investment promotion efforts in other ASEAN member countries where the number of potential investors is rising.

19. While supporting InvestHK to jointly organize overseas investment promotion activities with relevant authorities of Mainland cities, some members were concerned whether Hong Kong's intermediary role as a two-way platform for business between Mainland China and the rest of the world would be undermined, and whether Hong Kong and the Mainland cities would compete with each other when attracting foreign investment in

these joint promotion activities. The Administration assured members that joint overseas events were instrumental in promoting the combined advantages offered by the economic integration of Hong Kong and the Pearl River Delta region.

20. Members called upon InvestHK to strengthen its ongoing aftercare support services, such as assisting in staff recruitment and arranging networking events, to facilitate overseas enterprises already established in Hong Kong to expand and upgrade their businesses in Hong Kong. Members also called for co-ordinated efforts of various government departments/bureaux to address international business community's concerns about rising business operation costs due to high rental and acquisition costs of office accommodation, the shortage of international school places, and air pollution problem, and to mitigate the adverse impact of the recent Occupy Movement so as to rebuild international investors' confidence in Hong Kong. The Administration advised that various measures had been taken to address the international business community's concerns. InvestHK had offered one-to-one support services to companies throughout their planning and implementation, and a dedicated team was assigned to handle issues related to international school places.

Promotion of innovation and technology

21. The Panel discussed and supported the improvement measures proposed by the Administration as set out in the Final Report on the Comprehensive Review on the Innovation and Technology Fund ("ITF"), namely to launch a new Enterprise Support Scheme ("ESS") to replace the Small Entrepreneur Research Assistance Programme ("SERAP"), and to subsume the Research and Development ("R&D") Cash Rebate Scheme under the ITF. The Panel also supported the proposed injection of \$5 billion into the ITF to bring new impetus to the sustained development of I&T in Hong Kong. Whilst supporting the injection of additional funds, some members expressed concern about the low utilization of the ITF since its inception in 1999, and were dissatisfied that Hong Kong's gross expenditure on R&D as a percentage to Gross Domestic Product was low compared to other knowledge-based economies. The Administration was urged to speed up the usage of the ITF and to increase resources to vigorously promote the development of I&T in Hong Kong. The injection of funds was subsequently approved by the Finance Committee in February 2015.

22. To help boost the development of the manufacturing and other industries in Hong Kong, some members suggested that the ITF should focus on funding projects in specific technology areas with development

potential that were commercially viable and suitable for manufacturing in Hong Kong so as to generate actual economic contributions to Hong Kong's economy. Members called upon the Administration to formulate support policies and effective measures to create a favourable ecology for the sustained development of I&T, to reinforce private sector investment in R&D, and to attract overseas technology companies to set up their R&D bases in Hong Kong. Suggestions were also made to deepen collaboration among the Government, industry, academic and research sectors to facilitate the realization and commercialization of R&D results. The Administration was advised to widely publicize successful cases of R&D application so as to foster an innovative culture in the community and implement initiatives to nurture local R&D talents and attract overseas talents to strengthen Hong Kong's R&D capabilities.

23. On the new ESS that would be open to applications by all companies registered in Hong Kong regardless of size, so as to encourage more private sector investment in I&T, members were deeply concerned that small technology companies which were mostly SMEs might be disadvantaged when competing with more established companies for the ESS fund. There was a suggestion that the Administration should allocate to SMEs and start-ups a certain percentage of approved projects, and draw up objective and concrete assessment criteria taking into account the needs and special circumstances of SMEs. Concern was also raised that without a mandatory recoupment requirement, some ESS applicant companies might lack the incentive to vigorously pursue successful commercialization of their projects. The Administration was urged to follow up on and evaluate the progress of the projects to ensure proper use of public funds. On the transitional arrangement between SERAP and the new ESS, some members requested the Administration to allow the existing SERAP cases to be converted to the ESS.

24. The Administration advised that every ESS application would be assessed on its own merits by a project assessment panel comprising experts from the academia, industry, venture capital, etc. to ensure a fair and balanced assessment of applications. Due attention would be given to quality proposals submitted by small technology companies and start-ups. The absence of a recoupment requirement would help lower the ESS entry barrier for technology start-ups and SMEs to further their applied R&D efforts, help reduce the consequence of failure, and increase the chance of successful commercialization of project deliverables. The Administration would review and report to the Panel the implementation progress of the ESS.

Latest developments of the Hong Kong Science and Technology Parks Corporation

25. The Panel studied and supported the Hong Kong Science and Technology Parks Corporation ("HKSTPC")'s proposals on the establishment of a Corporate Venture Fund ("CVF") to bridge the funding gap of technology start-ups, and the implementation of the revised Industrial Estate ("IE") Programme to maximize the development potential of sites in the three existing IEs in Yuen Long, Tai Po and Tseung Kwan O. Members noted that the Administration was finalizing the implementation details of the CVF and would further consult the Panel upon the completion of the detailed study on the economic case and the relevant financial arrangements of the revised IE Programme.

26. The Panel hoped that the CVF would help start-ups attract investments from private funds to sustain their long-term growth, and draw more angel investors and venture capitalists to invest in Hong Kong's I&T industries. Some members considered the proposed \$50 million allocation to the CVF insufficient to effectively support the eligible start-ups. While members called for a fair and transparent vetting and approval mechanism, some members requested the Administration to consider relaxing CVF's eligibility criteria so that in addition to incubatees and graduates or current tenants of HKSTPC, other technology start-ups would be eligible to apply. Concern was also raised whether the restrictive conditions and the proposed timing of HKSTPC's exit strategy might affect the CVF's attractiveness. The Administration was urged to put in place measures to attract overseas technology talents and retain non-local university graduates of relevant disciplines to pursue their career in Hong Kong's I&T industries so as to build up the I&T talent pool in Hong Kong.

27. On the revised IE Programme to enhance efficient utilization of the available scarce land resources, some members considered that HKSTPC's new IE business model to build and manage specialized multi-storey industrial buildings for letting to companies of selected science, I&T based industries would help achieve a cluster effect and broaden the industry mix. The Administration was urged to provide the complementary software and hardware facilities to enhance the functions of the proposed multi-storey industrial buildings in the IEs, and consult the relevant target industries such that the design and specifications of these buildings would match the production process of the selected industries. Some other members suggested that the Administration should continue to allow the construction of stand-alone factories by tenants having regard to the specific needs of the relevant industries and ensure that the proposed multi-storey buildings

in the IEs would not compete with traditional industrial buildings for tenants. The Administration advised that HKSTPC would still consider granting sites on long lease to meritorious applicants for building standalone factories in exceptional cases. The proposed specialized multi-storey industrial buildings in the IEs were designed specifically to accommodate high value-added technology industries that were unlikely to operate effectively in traditional industrial buildings.

28. Some members considered that the existing land area in the Hong Kong Science Park ("HKSP") was not sufficient to sustain its long-term development and expressed disappointment that a site at Pak Shek Kok (East) which was originally designated for HKSP Phase 4 development was re-zoned for medium-density private residential development. Members suggested that land in other new development areas ("NDAs") should be allocated for R&D related uses, and urged the Administration to disclose its plan to the relevant sectors early such that interested companies could plan ahead as some infrastructures for I&T industries, such as data centres, required long-term planning. The Administration advised that sites in the Kwu Tung North NDA and Lok Ma Chau Loop area were reserved for development of high-tech industries and R&D related facilities.

Promoting intellectual property trading in Hong Kong

29. The Panel discussed the measures recommended by the Working Group on Intellectual Property Trading to position and promote Hong Kong as the premier intellectual property ("IP") trading hub in Asia. To enhance Hong Kong's competitiveness on IP trading and tap the enormous business opportunities arising from the surge in global and regional demand for IP, members considered it essential to formulate a comprehensive human resource development plan, including measures to attract overseas IP talents and encourage local graduates and relevant professionals to join the IP intermediary services sectors. Some members considered that the \$23 million earmarked in the 2015-2016 Budget for offering IP consultation, manpower training and other services to SMEs in the next three years was insufficient. The Administration was requested to consider injecting more resources to help enhance SMEs' IP awareness, enable them to protect and capitalize on their intellectual assets and build up their manpower capacity in IP management and commercialization.

30. To complement the long-term development of IP trading in Hong Kong, members also called on the Administration to foster the development of IP financing and insurance markets in Hong Kong, to develop a local culture that attached importance to I&T to encourage IP creation and exploitation, and to step up its efforts in developing Hong Kong into an

international legal and dispute resolution services centre. Given the wide scope of IP trading that spanned across many different industries, some members were of the view that the Administration should select a few targeted industries with good potential for development as a start.

31. The Administration advised that the Intellectual Property Department ("IPD") would explore the feasibility of conducting a dedicated manpower survey to take stock of the IP manpower situation and the needs of Hong Kong's IP intermediary services sectors. IPD would also consider sponsoring and promoting training courses on IP-related subjects organized by relevant professional bodies as appropriate to nurture talents. In collaboration with the Department of Justice, IPD would maintain close communication and work with veteran IP professionals and local arbitral and mediation bodies to formulate the strategies and policies to promote the wider use of mediation in resolving IP disputes and enhance the manpower capacity in IP arbitration and mediation services. Consideration would be given to selecting a few industries which Hong Kong had a competitive advantage, such as the textile and apparel industries, as pilot industries in the development of IP trading.

Implementation of the "original grant" patent system

32. The Panel supported in principle the Administration's legislative proposals to amend the Patents Ordinance (Cap. 514) to establish an "original grant" patent ("OGP") system for standard patents, refine the existing short-term patent system, and introduce an interim measure for regulating local patent practitioners. Members noted that, subject to the progress of the legislative exercise and other implementation work, the Administration planned to introduce a bill into the Legislative Council for scrutiny in the 2015-2016 legislative session with a view to launching the OGP system in 2016-2017 at the earliest.

33. While the majority of members called for an early implementation of the OGP system to keep up with the international trend on the development of patent system and facilitate the development of Hong Kong into a regional I&T hub, some members expressed concern whether there was sufficient demand for sustaining a cost-effective OGP system in Hong Kong in view of the small market in Hong Kong, the uncertainty in future market demand, the lack of relevant professional manpower and the considerable costs for setting up and operating the system. Members were also concerned that higher charges for OGP applications that involved substantive examination might discourage OGP applications.

34. There was a general consensus among members that the Administration should formulate a long-term human capital development plan for the patent industry, progressively develop IPD's own substantive examination capability and enhance its international cooperation networks to obtain professional technical support from overseas experts. While affirming the importance of building up an accreditation system to ensure the professionalism of patent practitioners, some members were concerned that some existing experienced patent practitioners might not be able to transit to the full-fledged regulatory regime if the qualifying requirements under the new regime were too stringent. On refining the short-term patent system, some members suggested that, other than court proceedings, mechanisms should be put in place to revoke or invalidate patents in order to prevent abuses of short-term patents with non-patentable inventions and the making of groundless threats of infringement proceedings.

35. The Administration noted members' views and advised that IPD planned to develop in incremental stages its in-house capacity in conducting indigenous substantive examination in the medium to long term, starting with the niche areas where Hong Kong had acquired considerable expertise. The Administration would take into account members' concern when determining the fee schedule of OGP applications.

Review of fees and charges of the Intellectual Property Department

36. The Panel was consulted on the Administration's proposal to revise the fees of services provided by IPD's Copyright Licensing Bodies, Trade Marks, Designs and Patents Registries. Members supported in principle the proposed fee revisions and had no objection to adopting the "user pays" principle to recover the full cost for various services provided by the registries. Some members however were concerned that the 100% fee increase for some items, such as service for search of records on the Register of Trade Marks, might render Hong Kong less competitive than other jurisdictions, and discourage potential applicants from using the service and seeking registration of their IP rights. Some members suggested that the Administration should review the funding ceiling and the scope of the existing subsidy so as to encourage the creation, use and protection of IP, and introduce measures to encourage electronic filing of applications to further reduce the operating costs of its various registries and ease the pressure for further fee increases.

37. The Administration advised that the proposed fees would remain competitive when benchmarked against fees charged by similar registries in other jurisdictions. At present, subsidies for patent registrations had been provided through the Patent Application Grant and the costs incurred in

registration of patents, trademarks and designs were tax deductible. An online facility was available for trade mark owners to search trade mark records via the Internet free of charge. IPD would continue to explore measures to enhance efficiency so as to reduce or contain the costs of services as far as possible.

Application of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks to the Hong Kong Special Administrative Region

38. Members supported the Administration's proposal to apply the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks ("Madrid Protocol") to Hong Kong following a three month consultation from November 2014 to February 2015. Members noted that under the Madrid Protocol, the one-stop process of applying for trade mark registrations in multiple jurisdictions would generally help speed up trade mark registration process and enable considerable savings in time and costs. The Administration was urged to expedite the implementation such that Hong Kong enterprises could reap the benefits of joining the Madrid Protocol early.

39. Some members expressed concern that the application of the Madrid Protocol to Hong Kong might reduce the number of domestic applications for trade mark registration in Hong Kong made by foreign applicants, and adversely affect the business of local trade mark agents. Given that Mainland China, not Hong Kong, was the contracting party to the Madrid Protocol, members enquired about the future operation upon the implementation of the Madrid Protocol in Hong Kong. The Administration was urged to set out clearly the workflow regarding the future processing of international applications when submitting the relevant legislative proposals to the Legislative Council.

40. The Administration advised that the application of the Madrid Protocol to Hong Kong would bring new business opportunities for the local trade mark practitioners, particularly SME law firms. Applications for trade mark registration in overseas countries under the new regime would still be submitted to the IPD, not the Mainland China Trademark Office ("CTMO"). Implementation details would have to be further discussed and agreed with the World Intellectual Property Organization and the CTMO.

Development of convention and exhibition industries in Hong Kong

41. The Panel discussed the key findings and recommendations of the

consultancy study commissioned by the Government on the future demand for convention and exhibition facilities in Hong Kong. Members generally supported the construction of a new convention centre above the Exhibition Station of the Shatin to Central Link as announced by the Chief Executive in the 2015 Policy Address to create operational synergies with the Hong Kong Convention and Exhibition Centre ("HKCEC") and to attract new conventions on professional and financial services industries that were more suitably held in a downtown location. Some members enquired whether the Administration would pursue the development of HKCEC Phase 3 or the expansion of Asia World Expo ("AWE") to meet the unmet demand pending the construction of the new convention centre. In view of the long lead time for the completion of the new centre, the Administration was urged to explore ways to expedite the planning and the construction of the new centre, and to continue to provide the necessary hardware and software support in the interim to maintain Hong Kong's competitiveness as an international convention and exhibition centre.

42. The Administration advised that HKTDC had been invited to proceed with planning for the new convention centre. In addition to the new centre, the Government would consider the possibility of developing new convention and exhibition facilities at different locations where necessary surrounding supporting facilities, such as hotel accommodation, dining, transport and entertainment, were sufficiently provided.

43. Members suggested that the Administration should continue to adopt the "one show, two venues" approach where appropriate to solve the problem of shortage of space at HKCEC and to fully utilize the available space at AWE to accommodate more SMEs to participate in trade fairs and exhibitions. Members also called on the Administration to encourage co-operation between HKCEC and AWE to achieve synergy and to proactively seek new events to be staged in Hong Kong, in particular during off-peak seasons, so as to maximize venue utilization and diversify business.

44. The Administration advised that the Hong Kong Jewellery and Gem Fair that had been held concurrently at HKCEC and AWE since 2009 was a successful example of the "one show, two venues" approach. HKTDC had organized over 40 fairs at AWE so far, and would continue to explore the possibility of holding more shows at AWE. The Meetings and Exhibitions Hong Kong under the Hong Kong Tourism Board would continue to promote Hong Kong as a premier Meetings, Incentive travels, Conventions and Exhibitions destination.

Parliamentarian Workshop on International Trade 2015 in Singapore

45. The House Committee, at its meeting on 17 April 2015, has approved the Panel's nomination of Hon SIN Chung-kai to attend the Parliamentarian Workshop on International Trade 2015 organized by the Centre for Multilateralism Studies of the S Rajaratnam School of International Studies and the World Trade Organization from 25-27 May 2015 in Singapore.

Meetings held

46. From October 2014 to end June 2015, the Panel held a total of 11 meetings, including one meeting held jointly with the Panel on Health Services to receive views from deputations on the regulation and development of beauty services. The Panel has scheduled another meeting in July 2015.

Council Business Division 1
Legislative Council Secretariat
17 June 2015

Panel on Commerce and Industry

Terms of Reference

1. To monitor and examine Government policies and issues of public concern relating to commerce, industry, business and services promotion, innovation and technology, intellectual property protection and inward investment promotion.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

Panel on Commerce and Industry

Membership list for 2014 - 2015 session

Chairman	Hon WONG Ting-kwong, SBS, JP
Deputy Chairman	Hon Vincent FANG Kang, SBS, JP
Members	Hon Emily LAU Wai-hing, JP Hon Jeffrey LAM Kin-fung, GBS, JP Hon Andrew LEUNG Kwan-yuen, GBS, JP Dr Hon LAM Tai-fai, SBS, JP Hon MA Fung-kwok, SBS, JP Hon Charles Peter MOK, JP Hon Dennis KWOK Hon SIN Chung-kai, SBS, JP Hon Martin LIAO Cheung-kong, SBS, JP Dr Hon CHIANG Lai-wan, JP Ir Dr Hon LO Wai-kwok, BBS, MH, JP Hon CHUNG Kwok-pan
	(Total : 14 members)
Clerk	Ms Annette LAM
Legal Adviser	Ms Wendy KAN