

LEGISLATIVE COUNCIL BRIEF

FEDERATION OF HONG KONG INDUSTRIES ORDINANCE (CHAPTER 321)

FEDERATION OF HONG KONG INDUSTRIES (VARIATION OF COMPOSITION AND ADDITION OF SCHEDULED GROUPS) NOTICE 2015

INTRODUCTION

The Federation of Hong Kong Industries (“the Federation”) has resolved to amend the First Schedule to the Federation of Hong Kong Industries (Cap. 321) (“the Ordinance”) by adding five new scheduled groups and making minor changes to the names of the relevant existing scheduled groups (“the Amendments”). The Amendments are set out in the Federation of Hong Kong Industries (Variation of Composition and Addition of Scheduled Groups) Notice 2015 (the Notice) at [Annex](#).

JUSTIFICATIONS

2. Under section 45(3) of the Ordinance, the general committee of the Federation may from time to time vary the composition of any scheduled group or add any group to, or delete any group from, the First Schedule to the Ordinance. Under section 45(4) of the Ordinance, notification of any such changes shall be published in the Gazette.

3. Currently, there are 27 scheduled groups as set out in the First Schedule to the Ordinance. The last amendment to the First Schedule was addition of Group 27 on “Automobile components” in 2004. With the development of the industries over the years, the Federation considers it necessary to set up new scheduled groups so that it can better serve the sectors concerned as well as the industries at large.

Setting up of New Scheduled Groups

4. At its 613th meeting held on 25 February 2014, the general committee of the Federation resolved to set up five new scheduled groups, namely “Fur and leather garments”, “Spectacles and optical products”, “Creative industries”, “Design” and “Automation solutions”.

Justifications for the proposals are set out below.

Fur and leather garments

5. At present, fur and leather garments are subsumed under scheduled group 13 on “Leather and fur garments and miscellaneous textiles”. Fur and leather garments are very different in nature from miscellaneous textile products, which include beddings, curtains, buttons, zips, etc. The fur and leather garments industry comprises an important sector in Hong Kong industries; in fact, Hong Kong is the world’s leading exporter of high-end fur garments. The Federation considers that the fur and leather garments sector can be better served if it forms a separate scheduled group under the Ordinance.

Spectacles and optical products

6. Enterprises manufacturing spectacles and optical products are currently grouped under scheduled group 4 on “Electrical and optical products”. Electrical products and optical products are very different in nature. In addition, Hong Kong is the third largest exporter of spectacles and frames in the world (after Italy and the Mainland). Hence, the Federation considers that forming a separate scheduled group for the spectacles and optical products trade can facilitate the Federation to better serve these enterprises.

Creative industries

7. In this digital age, creative industries are the propellants of economic growth. To traditional industries, creative industries can help them enhance the quality of their products and enhance their promotion. The Federation therefore proposed to set up a new scheduled group on “Creative industries” to cover enterprises involved in filming, video, music and sound production, interactive media, comics and animation, digital games and digital entertainment. The Federation expects that these enterprises will have interaction and collaboration with enterprises of different industries covered under other scheduled groups.

Design

8. Similarly, design will help traditional industries move up the value chain. The Federation therefore proposed to set up a new scheduled group on “Design” to facilitate the interaction and collaboration between design firms and enterprises of different industries

covered under other scheduled groups. The Federation would not restrict the nature of design firms to be admitted under this new scheduled group because different disciplines of design including industrial design, product design, fashion design and graphic design may all have synergy with different industries.

Automation solutions

9. Given the continuous increase in labour cost and the need to increase efficiency, many manufacturers are investing more in automation in order to reduce labour cost and increase productivity. The Federation proposed to set up a new scheduled group on “Automation solutions”, which will include enterprises specialising in production and process automation, related electrical and electronic systems, automation software and robotics. The Federation considers that there will be many cooperation opportunities between enterprises in this new scheduled group and those of different industries covered under other scheduled groups.

Minor Changes to Names of Relevant Existing Scheduled Groups

10. The Federation proposed to make the following minor changes to the names of the relevant existing scheduled groups:

- (i) With the setting up of a new scheduled group on “Spectacles and optical products”, the existing scheduled group 4 on “Electrical and optical products” be renamed as “Electrical products”;
- (ii) With the setting up of a new scheduled group on “Fur and leather garments”, the existing scheduled group 13 on “Leather and fur garments and miscellaneous textiles” be renamed as “Home textiles, miscellaneous textiles and accessories”; and
- (iii) The existing scheduled group 27 on “Automobile components” be renamed as “Automobile, aeronautical and advance components” so that manufacturers of other types of advance components can also join this scheduled group.

11. Members in the newly added scheduled groups will be entitled to vote at the Federation’s general meetings. By virtue of section 20R of the Legislative Council Ordinance (Cap. 542), they will also be eligible to be registered as electors in the industrial (first) functional constituency.

In accordance with section 45(5) of the Ordinance, the Federation has obtained the written approval of the Secretary for Constitutional and Mainland Affairs on the Amendments as concerns the changes in the entitlement of any person to vote at a general meeting of the Federation as referred to in the Legislative Council Ordinance (Cap. 542).

THE NOTICE

12. The Notice at Annex amends the First Schedule to the Ordinance to –

- (i) add new scheduled group 28 on “Spectacles and optical products”
- (ii) add new scheduled group 29 on “Fur and leather garments”;
- (iii) add new scheduled group 30 on “Creative industries”;
- (iv) add new scheduled group 31 on “Design”;
- (v) add new scheduled group 32 on “Automation solutions”;
- (vi) rename existing scheduled group 4 as “Electrical products”;
- (vii) rename existing scheduled group 13 as “Home textiles, miscellaneous textiles and accessories”; and
- (viii) rename existing scheduled group 27 as “Automobile, aeronautical and advance components”.

IMPLICATIONS OF THE PROPOSAL

13. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. It will not affect the current binding effect of the Ordinance. It has no financial, civil service, productivity, economic, environmental, sustainability and family implications.

PUBLIC CONSULTATION

14. The proposal concerns the corporate development of the Federation for the purpose of keeping the Federation in line with the development of Hong Kong industries. Public consultation is considered not necessary.

EFFECTIVE DATE

15. The Amendments will take effect on 17 April 2015.

PUBLICITY

16. The Notice will be published in the Gazette on 18 February 2015. The Federation will issue a press release on the day when the Amendments become effective (i.e. 17 April 2015).

ENQUIRIES

17. For any enquiries on this Brief, please contact Ms Linda So, Director-General of the Federation (tel: 2732 3183; email: linda.so@fhki.org.hk).

Federation of Hong Kong Industries
16 February 2015

Federation of Hong Kong Industries (Variation of Composition and Addition of Scheduled Groups) Notice 2015

Section 1

1

Federation of Hong Kong Industries (Variation of Composition and Addition of Scheduled Groups) Notice 2015

(Made by the general committee of the Federation of Hong Kong Industries under section 45 of the Federation of Hong Kong Industries Ordinance (Cap. 321))

1. Commencement

This Notice comes into operation on 17 April 2015.

2. Federation of Hong Kong Industries Ordinance amended

The Federation of Hong Kong Industries Ordinance (Cap. 321) is amended as set out in section 3.

3. First Schedule amended (scheduled groups)

(1) First Schedule, item 4—

Repeal

“Electrical and optical products”

Substitute

“Electrical products”.

(2) First Schedule, item 13—

Repeal

“Leather and fur garments and miscellaneous textiles”

Substitute

“Home textiles, miscellaneous textiles and accessories”.

(3) First Schedule, item 27—

Federation of Hong Kong Industries (Variation of Composition and Addition of Scheduled Groups) Notice 2015

Section 3

2

Repeal

“Automobile components”

Substitute

“Automobile, aeronautical and advance components”.

(4) First Schedule, after item 27—

Add

“28.	28	Spectacles and optical products
29.	29	Fur and leather garments
30.	30	Creative industries
31.	31	Design
32.	32	Automation solutions”.

Amble So

Director-General,
Federation of Hong Kong Industries

13 February 2015

Explanatory Note

The purposes of this Notice are to add 5 new scheduled groups to the groups of businesses specified in the First Schedule to the Federation of Hong Kong Industries Ordinance (Cap. 321) and to make minor changes to the descriptions of 3 existing scheduled groups.