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Replies to supplementary questions raised by Finance Committee Members in examining the Estimates of Expenditure 2017-18

Director of Bureau : Secretary for Commerce and Economic Development

Session No. : 15

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CONTROLLING OFFICER'S REPLY

S-CEDB(CIT)01

(Question Serial No. SV028)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Follow-up question on reply no. CEDB (CIT) 038:

The Government is requested to provide an estimate on the number of ship calls by cruises with passengers embarking or disembarking at Hong Kong in 2017.

Asked by: Hon CHIANG Lai-wan

Reply:

In 2016, the total number of conventional ship calls in Hong Kong as a whole (including the Ocean Terminal, the Kai Tak Cruise Terminal and other berthing facilities) was 191, amongst which, 112 were ship calls with passengers embarking or disembarking at Hong Kong. According to the current booking situation of berthing slots, the estimated total number of ship calls in Hong Kong in 2017 is 257, including 155 ship calls at the Kai Tak Cruise Terminal with passengers embarking or disembarking at Hong Kong. At the moment, we do not yet have information about the itineraries of the ship calls at the Ocean Terminal and other berthing facilities in 2017. Hence, the total number of ship calls with passengers embarking or disembarking at Hong Kong as a whole this year cannot be provided.

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CONTROLLING OFFICER'S REPLY

S-CEDB(CIT)02

(Question Serial No. S0104)

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

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In Reply Serial No. CEDB(CCI)017, the Government states that Belt and Road promotional tours to countries with market potential, such as Iran, Indonesia, Malaysia and India will be organised in collaboration with the film industry from 2017, with a view to attracting film producers to come to Hong Kong for post-production and location film and production facilitation services.

However, according to the United Nations Sanctions (Joint Comprehensive Plan of Action – Iran) Regulation (L.N.178), the Government has the right to prohibit against making available or dealing with financial assets or economic resources which involve certain persons or entities and to prohibit against the entry or transit by certain persons. In this connection, will the Government inform this Committee of the following:

1. What measures are there to ensure that the Iranian film producers coming to Hong Kong for film production will not violate the above regulation? What is the manpower involved?
2. How many such cases as mentioned in question (1) did the Government come into contact or handle in the past 3 years?

Asked by: Hon LAU Siu-lai

Reply:

The United Nations Sanctions (Joint Comprehensive Plan of Action—Iran) Regulation (“Regulation”) implements restrictions against Iran imposed by the United Nations Security Council (“UNSC”).

The UNSC designates persons and entities, for the purpose of financial restrictions and/or travel ban, which have engaged in, directly associated with or provided support for Iran’s

proliferation-sensitive nuclear activities undertaken contrary to Iran's commitments in the Joint Comprehensive Plan of Action ("JCPOA") or the development of nuclear weapon delivery systems; have assisted designated persons or entities in evading or acting inconsistently with the JCPOA or UNSC Resolution 2231; have acted on behalf or at the direction of designated persons or entities; or have been owned or controlled by designated persons or entities, including through illicit means. Currently, 23 persons and 61 entities are designated by the UNSC. The list of such persons and entities has been published in the Gazette.

Section 9 of the Regulation implements financial restrictions through prohibition against making available any funds or other financial assets or economic resources to or for the benefit of persons and entities designated by the UNSC, or dealing with any funds, other financial assets or economic resources belonging to, or owned or controlled by such persons or entities. Section 11 of the Regulation implements travel ban through prohibition against the entry into or transit through the Hong Kong Special Administrative Region by persons designated by the UNSC. The Regulation does not prohibit Iranian film producers, as long as they are not designated by the UNSC, from coming to Hong Kong for post-production and location filming and production facilitation services.

The manpower involved in enforcing the Regulation has been subsumed under the overall staff establishment of the relevant law enforcement agencies. The Government has not dealt with any cases involving contravention of the Regulation by Iranian film producers in the past three years.

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CONTROLLING OFFICER'S REPLY

S-CEDB(CIT)03

(Question Serial No. S0059)

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

Subhead (No. & title): (-) -

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

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Pursuant to CEDB(CIT)001, please list in detail the project titles, expenditures involved and duration of the feasibility studies on comprehensive development conducted by the Hong Kong Trade Development Council (TDC) in the past.
2. Pursuant to CEDB(CIT)015, please provide the time frame for the TDC to complete the relevant internal procedures.
3. Some areas of the facilities in Wan Chai Sports Ground have been used as works areas of the Shatin to Central Link (SCL) in order to build the SCL rail facilities and the works are expected to be completed by 2019 at the earliest. In this connection, has the Government provided the relevant information to the TDC and will it assess the impact of the SCL on buildable site areas and height of building blocks in the relevant feasibility study?

Asked by: Hon LAW Kwun-chung, Nathan

Reply:

1. At the Government's invitation, the Hong Kong Trade Development Council (TDC) is working on the design of a convention centre above the Exhibition Station of the Shatin-to-Central Link (SCL), so that the construction work of the convention centre on the topside can commence after the expected completion of the Exhibition Station of SCL in 2021. TDC will bear the relevant expenditure of this design work.
2. TDC is developing a work plan for the feasibility study on the proposed comprehensive development of Wan Chai Sports Ground (WCSG).
3. The feasibility study on the proposed comprehensive development of WCSG will cover the scale of the comprehensive development; the uses, floor areas and ratio of

various facilities (i.e. convention and exhibition, sports, recreation and other community facilities); and assessments of the comprehensive development's impact on the environment, traffic, etc. The various site constraints will be considered in the study.

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CONTROLLING OFFICER'S REPLY

S-CEDB(CIT)04

(Question Serial No. S0055)

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

Subhead (No. & title): (-) -

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

This is to follow up on Reply Serial No. CEDB(CIT)119. In response to the enquiry about the number of visitors making use of tour products under the “New Tour Product Development Scheme”, the Government simply replied that “As the relevant tours are still under operation, the number of participants is not yet available”, which is not reasonable. Would the Government advise this Committee whether there is any information on the respective numbers of attendances in respect of the tour products concerned as at end of December 2016?

Asked by: Hon LUK Chung-hung

Reply:

In 2016-17, the Hong Kong Tourism Board (HKTb) subsidised 11 new tour products through the New Tour Product Development Scheme (NTPDS). As of December 2016, a total of 10 products have been rolled out into the market and recorded participation of around 3,200 visitors.

Of the 11 new tour products subsidised by the NTPDS, four were launched in April 2016, six in October 2016, and another one in January 2017.

In addition, since the HKTb launched the NTPDS in 2012-13, around 40,000 visitors had joined these new tours by the end of December 2016.

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CONTROLLING OFFICER'S REPLY

S-CEDB(CIT)05

(Question Serial No. S0056)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In Reply Serial No. CEDB(CIT)082, the Government did not reply directly to the question about the total number of customers of food trucks since the implementation of the Food Truck Pilot Scheme, merely stating that the performance of the food trucks was not assessed through “the recording of the total patronage figure”. Please advise on whether statistics have been compiled on the total patronage figure of each food truck. If yes, please provide the figures.

Asked by: Hon LUK Chung-hung

Reply:

The Tourism Commission will observe the general operation of food trucks during the early days of business commencement. In fact, the food truck operators have to submit points of sales reports on a regular basis which can help better understand their revenue and number of patrons.

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CONTROLLING OFFICER'S REPLY

S-CEDB(CIT)06

(Question Serial No. S0058)

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

Subhead (No. & title): (-) -

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In Reply Serial No. CEDB(CIT)117, the Government mentioned that some measures were in place to improve the traffic support for green tourism attractions, but the effect was limited. In the Reply, it was also stated that the Development Bureau was implementing a "Pier Improvement Programme", but up till now, many tourist spots on land still do not have adequate ancillary support. Would the Government please advise on the measures that have been and will be implemented to improve the traffic support for the major tourist attraction at the Geopark?

Asked by: Hon LUK Chung-hung

Reply:

The Hong Kong UNESCO Global Geopark (the Geopark) is a unique natural area with special geological significance and natural and cultural landscape. It serves the three objectives of conservation, education and sustainable development. At present, access to geosites around the High Island Reservoir from the Sai Kung town centre has to be made via restricted road sections administered by the Agriculture, Fisheries and Conservation Department (AFCD) and the Water Supplies Department, and members of the public may get there by taxis or vehicles with the requisite permits. According to the AFCD, the aforesaid road sections are unsuitable for operation of coach-typed buses having regard to the actual situation, the narrow and winding alignment as well as the number of visitors strolling around during holidays.

AFCD has hired a contractor to operate the Geopark Volcano Discovery Centre (VDC) in Sai Kung. The contractor has to provide guided tours with shuttle bus services to the High Island Reservoir East Dam. The services have been very popular since they were launched in July 2016. Three round trips are offered on every Saturday, Sunday and public holiday.

Apart from the shuttle bus services, a new kaito service was also launched in early 2016 to Lai Chi Wo which is one of our major geosites. AFCD, in conjunction with relevant departments, will continue to explore different ways to enhance the accessibility to geosites in the Geopark.

- End -

CONTROLLING OFFICER'S REPLY

S-CEDB(CIT)07

(Question Serial No. S0038)

Head: (96) Government Secretariat: Overseas Economic and Trade Offices

Subhead (No. & title): (-) -

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Philip YUNG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to the Programme, the Government sets up offices in different countries to strengthen the communication and liaison, commercial relations and investment promotion in these countries. In this regard, will the Government provide the following information?

- (1) The operating expenditure, and the number, salaries, allowances, types and work nature of the staff of the overseas Economic and Trade Offices (ETOs) over the past year; and the estimated expenditure as well as the types, number, salaries, allowances and work nature of the staff of ETOs in the coming year. Please provide the information in table form.
- (2) The Government indicates that it will actively expand the network of ETOs in future. Please provide the staff establishment of ETOs in the coming year, including the types of posts (such as posts of Administrative Officer, Trade Officer, Executive Officer, Information Officer, Investment Promotion Project Officer and other different grades), number, salaries, allowances and work nature of ETO staff.
- (3) According to the Programme, the Government is responsible for promoting Hong Kong's advantages overseas. Please provide information in table form on the large-scale promotion events hosted or co-hosted by ETOs over the past year, and the time, place, projects, staff and expenditure involved.

Asked by: Hon YIU Chung-yim

Reply:

(1) & (2)

The distribution of 2016-17 revised estimate and 2017-18 estimate for the existing 12 overseas Economic and Trade Offices (ETOs) under Subhead 000 Operational expenses are tabulated below –

	ETOs												
	Brussels	Geneva	Berlin	London	New York	San Francisco	Washington	Jakarta	Singapore	Sydney	Tokyo	Toronto	Total
2016-17 revised estimate Operational Expenses ^(Note) (\$ million)	37.2	40.4	28.3	33.9	33.5	28.4	36.3	19.7	23.2	23.5	34.9	17.1	356.4
2017-18 estimate Operational Expenses ^(Note) (\$ million)	45.6	40.6	32.1	38.4	34.3	29.1	41.7	22.4	26.5	26.7	42.1	20.4	399.9

Note: Operational Expenses include expenditures on personal emoluments, personnel related expenses, departmental expenses and other charges.

The distribution of 2016-17 revised estimate and 2017-18 estimate for the 12 overseas ETOs in respect of personal emoluments under Subhead 000 Operational expenses are tabulated below –

	ETOs												
	Brussels	Geneva	Berlin	London	New York	San Francisco	Washington	Jakarta	Singapore	Sydney	Tokyo	Toronto	Total
2016-17 revised estimate Personal Emoluments ^(Note) (\$ million)	19.1	21.8	5.8	13.9	12.6	15.3	18.3	9.4	10.9	9.9	12.9	7.7	157.6
2017-18 estimate Personal Emoluments ^(Note) (\$ million)	22.0	24.3	6.7	14.8	14.3	16.8	20.9	10.2	10.0	11.3	15.2	8.9	175.4

Note: Total expenditure on personal emoluments includes salaries, allowances and job-related allowances (where appropriate).

At present, the 12 existing overseas ETOs have a total establishment of 164, including 50 Hong Kong-based staff (namely staff from Administrative Officer, Trade Officer, Executive Officer, Information Officer and Investment Promotion Project Officer grades) and 114 locally-engaged staff responsible for commercial relations, public relations, investment promotion and general administrative work. It is expected that the total establishment will be reduced to 163 in 2017-18 due to the deletion of one time-limited post. The staff establishment of respective ETOs are as follows –

ETO	2017/18 Estimated Establishment
Brussels	18
Geneva	15
Berlin	4
London	18
New York	14
San Francisco	16
Washington	18
Jakarta	13 ^(Note)
Singapore	11
Sydney	11
Tokyo	14
Toronto	11
Total	163

Note: 1 two-year time-limited Executive Officer I post will lapse in 2017-18.

Besides, we are actively preparing for the setting up of Seoul ETO with an estimated establishment of 13 staff, including 4 Hong Kong-based staff and 9 locally-engaged staff. Their job nature will be similar to those of existing ETOs. For preparation of the estimate, we have reserved \$24.25 million in the 2017-18 estimate as the ETO's estimated annual expenditure, including personal emoluments and operational expenditure, etc.

- (3) The main roles of our overseas ETOs (except the Geneva ETO which specialises in World Trade Organization matters) are to maintain close liaison with local government officials, business chambers, the media, etc. on a regular basis, and collaborate closely with other Hong Kong overseas agencies, such as Invest Hong Kong, the Hong Kong Trade Development Council, the Hong Kong Tourism Board, etc. in organising and co-organising various promotional activities, e.g. seminars, business luncheons, receptions, etc. They brief local enterprises on the latest developments of Hong Kong and its advantages in various aspects, and encourage them to conduct business and invest in Hong Kong. Riding on opportunities arising from the "Belt and Road" Initiative, the ETOs also step up their promotion efforts in order to help the commercial and professional sectors in Hong Kong open up new markets. Besides, our ETOs also assist in promoting Hong Kong cultural and creative industries and organise a variety of arts and cultural activities locally to enhance cultural exchanges. Below are some of the promotion events organised by the ETOs in 2016 –

- (i) The ETOs organise seminars regularly to enhance market awareness and visibility of Hong Kong and to promote Hong Kong's role as the super-connector connecting the Mainland with the rest of the world. For instance, the London ETO organised or supported various business seminars in various cities of Eastern Europe in 2016 to encourage local businessmen to make use of Hong Kong's advantages in exploring business opportunities under the "Belt and Road" Initiative so as to enter the Mainland and Asia markets; in 2016, the Tokyo ETO expanded its network and strengthened ties with various regions in Japan and Korea by organising seminars; and the Berlin ETO organised a business seminar with the Ministry of Foreign Affairs of Poland and the Polish Chamber of Commerce in Warsaw in October 2016 to introduce the "Belt and Road" Initiative and its impact for Central and Eastern European businesses.
- (ii) From time to time, the ETOs organise or co-organise business luncheons to brief local enterprises on the latest developments of Hong Kong and promoting Hong Kong's business opportunities. For example, during the Chief Secretary for Administration (CS)'s visit to San Francisco, CS updated key interlocutors on Hong Kong's latest social, economic and cultural developments at a business luncheon co-organised by the San Francisco ETO; and the Singapore ETO actively promoted Hong Kong's unique role as the super-connector between the Mainland China and ASEAN on many occasions. During CS's visit to Vietnam in August 2016, the ETO co-organised with the Hong Kong Chinese General Chamber of Commerce and the Hong Kong Trade Development Council a business luncheon in Ho Chi Minh City, which was attended by some 200 representatives from the Hong Kong and Vietnam business communities.
- (iii) The ETOs organised or co-organised with local groups spring receptions in early 2016 in major cities of the countries under their purview, for example London, Edinburgh, Copenhagen and Moscow in Europe; Sydney and Melbourne in Australia; Auckland in New Zealand; New York City and Atlanta in the U.S.; and Singapore, Kuala Lumpur and Tokyo in Asia, etc. The ETOs took the opportunity to provide updates on the latest developments of Hong Kong in various aspects and introduced opportunities arising from the "Belt and Road" Initiative so as to raise the profile of Hong Kong and promote Hong Kong's advantages.
- (iv) The ETOs often organise or sponsor different film festivals to promote Hong Kong films to the audiences from all around the world and enhance cultural exchanges. For example, the San Francisco ETO sponsored 8 major film festivals held in various cities in the Western U.S. to promote Hong Kong films, and hosted a reception in March 2016 to honour film director Mabel Cheung and producer Alex Law, whose film "A Tale of Three Cities" was chosen as the centerpiece of the CAAMFest in San Francisco; and the Washington ETO co-organised the annual "Made in Hong Kong" Film Festival with the Smithsonian Institution's Freer Gallery of Art from July to August 2016, which showcased the best of Hong Kong films and screened a wide selection of films to U.S. audience.

- (v) The ETOs also support various arts events with the aim of showcasing creative talents of Hong Kong-based artists. For example, the San Francisco ETO sponsored the “Retrieved” photo exhibition featuring photographer Kurt Tong from February to May 2016; the Brussels ETO sponsored the performance of the Hong Kong Children’s Choir in Lisbon and the Hong Kong Sinfonietta in Marvao, Portugal in July 2016; and the Sydney ETO, in collaboration with Hong Kong Arts Development Council and the Adelaide Festival Centre, focused on promoting arts culture of Hong Kong in the OzAsia Festival 2016 from September to October 2016, including “As if to Nothing” premiere by the City Contemporary Dance Company in Australia and an exhibition of a Hong Kong visual artist.

Since the work on promoting Hong Kong is part of the overall work of the overseas ETOs, the staff and expenditure involved cannot be accurately and separately itemised.

- End -