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商務及經濟發展局
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LC Paper No. CB(1)625/16-17(01)

COMMERCE, INDUSTRY AND TOURISM BRANCH
**COMMERCE AND ECONOMIC
DEVELOPMENT BUREAU**
GOVERNMENT OF THE HONG KONG
SPECIAL ADMINISTRATIVE REGION

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24 February 2017

Mr. Desmond Lam
Clerk to Panel on Commerce and Industry
Legislative Council
1 Legislative Council Road
Central, Hong Kong

Dear Mr. Lam,

Panel on Commerce and Industry

At the panel meeting held on 25 January 2017, the Hon. Felix CHUNG Kwok-pan raised a question regarding the work of the Economic Development Commission (EDC). I write to provide supplementary information.

The EDC established in 2013 has been studying the overall strategy and policy to broaden our economic base and enhance our long-term development, exploring and identifying industries which would present opportunities for Hong Kong's further economic growth. The four Working Groups under EDC responsible for transportation; convention and exhibition industries and tourism; manufacturing industries, innovative technology, and cultural and creative industries; and professional services, have also been actively discussing ways to promote the development of relevant industries and submitted specific recommendations on possible policies and measures, which have been endorsed by EDC and accepted by the Government. The recommendations are set out at **Annex** for Members' reference.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ingrid Yu'.

(Ingrid Yu)

for Secretary for Commerce and Economic Development

c.c. Secretary for Development
Secretary for Innovation and Technology
Secretary for Transport and Housing

(Attn: Mr. Ken Li)
(Attn: Miss Ng Yuk-hang)
(Attn: Miss Peggy Siu)

Internal: Commissioner for Tourism (Attn: Ms Carmen Yu)
Communications & Creative Industries Branch (Attn: Mr Stephen Lo)

Recommendations of the EDC

Working Group on Transportation

- Design measures to boost the development of aircraft leasing business in Hong Kong
- Establish a Civil Aviation Academy in Hong Kong
- Implement measures to optimise air-to-air transshipment
- Make use of the Maritime and Aviation Training Fund (MATF) to support in-service practitioners to upgrade their professional competency, as well as to attract young people to pursue a career in the maritime and aviation industry
- Made the following suggestions regarding establishment of a new maritime body:
 - led by the Secretary for Transport and Housing
 - policy support by the Transport and Housing Bureau
 - influence on Government's policies
 - resourced by Government
 - industry participation
 - tap on talents from the industry
- Explore the feasibility of developing a new product by the Hong Kong Export Credit Insurance Corporation to facilitate ship financing for small and medium companies
- During the 13th Five-Year Plan period, encourage more Mainland shipping companies to establish operations in Hong Kong and use Hong Kong's maritime services, and to attract more quality ships to register in Hong Kong
- Hong Kong should promote our maritime services to emerging markets along the Belt and Road corridors, and seek to enter into more Avoidance of Double Taxation Agreements with these economies

Working Group on Convention and Exhibition Industries and Tourism

- Commission a consultancy study to assess the future demand for convention and exhibition facilities in Hong Kong
- Enhance the overall receiving capacity of the tourist attractions, hotels and the tourism industry
- Attract high spending visitors
- Develop the Kai Tak Tourism Node site into an iconic world-class tourist destination

- Develop a coherent and unique theme for the entertainment and leisure facilities
- Identify appropriate types of new tourism attractions and facilities to be developed on Lantau
- Review the overall planning of the transport connection between existing and future tourism attractions and facilities on Lantau

Working Group on Manufacturing Industries, Innovative Technology, and Cultural and Creative Industries

- Increase the number of awardees of the Hong Kong Young Design Talent Award so as to provide more opportunities for young talents to attend overseas internship for exposure
- Improve the Small Entrepreneur Research Assistance Programme under the Innovation and Technology Fund (ITF) to better encourage research and development (R&D) activities and commercialisation of R&D outcomes
- Extend the scope of the ITF to cover activities that are conducive to commercialisation of R&D results
- Develop, on a pilot basis, a scheme to provide funding support for companies to hire locally-trained PhD graduates to conduct in-house R&D activities
- Expand and enhance the current incubation programmes administered by quasi-Government or Government-funded bodies (e.g. the Hong Kong Science and Technology Parks Corporation, Cyberport and the Hong Kong Design Centre) to benefit more companies and to cater for the need of new industries and companies at different development stages
- Devise suitable complementary schemes to promote the matching of venture capitalists with start-ups
- Provide cash grant to quality small-budget movies to reduce the investment risk, with the grant covering only the remuneration of local members of the production crew and the expenditure incurred in post-production work carried out in Hong Kong, so as to encourage the local movies producers to procure local post-production services, thereby facilitating the further development of the post-production sector
- Optimise the existing Film Production Financing Scheme of the Film Development Fund so as to increase the number of film productions and broaden the variety of film genres. For example, raising the ceiling of the production budget and streamlining the funding application process can address the needs of the industry and entice more film productions with rippling effect on the local post-production sector

- Continue to collaborate with the stakeholders to promote Hong Kong's films and professional post-production services, focusing on clients overseas to expand the non-local markets
- Support the fashion industry, including - (a) nurturing talents and promoting collaboration between the traditional manufacturing industry and the fashion-related design industry, such as establishing the Fashion Incubation Programme for fashion design companies; (b) strengthening promotional activities, such as supporting the inaugural CENTRESTAGE and FASHION ASIA to showcase local and regional designers and attract international fashion business; and (c) setting up the institutional arrangements for delivering the recommendations, i.e. establishing the Advisory Group on Implementation of Fashion Initiatives to advise on, guide and co-ordinate the implementation of the initiatives

Working Group on Professional Services

- Seek further liberalisation measures for trade in services for the professional services industry
- Coordinate the need of professional services for facilitating negotiation of free trade agreements by enhancing Government-to-Government liaison with the Mainland and overseas economies
- Identify opportunities for Hong Kong's positioning in the National Five-Year Plans to enhance collaborative development between the professional services of both sides
- Market and promote professional services in an integrated manner
- Study feasible projects to promote the healthy and steady development of construction industry
- Implement measures to raise the profile, standards and productivity of construction professional services
- Promote Hong Kong's legal and dispute resolution services in potential markets in the Mainland
- Assist Hong Kong professional services industry in tapping the Mainland and overseas markets
- Encourage local enterprise to export their services overseas
- Provide cross-sectoral support and business advisory services in the Mainland and overseas economies