

立法會 *Legislative Council*

LC Paper No. CB(1)1250/16-17

Ref : CB1/PL/CI

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 2016-2017 session of the Legislative Council ("LegCo"). It will be tabled at the Council meeting of 12 July 2017 in accordance with Rule 77(14) of the Rules of Procedure.

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 25 members, with Hon WU Chi-wai and Hon SHIU Ka-fai elected as Chairman and Deputy Chairman respectively. The membership list of the Panel is in **Appendix II**.

Major work

Promotion of Innovation and Technology

Hong Kong/Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop

4. The Panel held a joint meeting in early March 2017 with the Panel on Development and the Panel on Information Technology and Broadcasting to discuss the project by the Government of the Hong Kong

Special Administrative Region ("HKSAR") and the Shenzhen Municipal People's Government to jointly develop the Lok Ma Chau Loop ("the Loop") into "Hong Kong-Shenzhen Innovation and Technology Park" ("the Park").

5. According to the Administration, a subsidiary company would be set up to operate the Park by the Hong Kong Science and Technology Parks Corporation ("HKSTPC"). Out of the 10 directors on the Board of Directors of the subsidiary company, four (including the Chairman) would be nominated by the Hong Kong side, three by the Shenzhen side, and the remaining three jointly nominated by both sides. Quite a number of members were concerned that should all the three jointly nominated directors be filled by Shenzhen personnel, Hong Kong might lose its leading role in the subsidiary company.

6. The Administration advised that under the Memorandum of Understanding on Jointly Developing the Lok Ma Chau Loop by Hong Kong and Shenzhen signed by the HKSAR Government and the Shenzhen Municipal People's Government, both sides would put forth nominations for the Board of Directors of the subsidiary company, through the Joint Task Force on the Development of the Hong Kong-Shenzhen Innovation and Technology Park ("Joint Task Force"), to the HKSAR Government for appointment by HKSTPC according to the relevant legislation of HKSAR. As the nominations of the three directors to be jointly made by both sides would be finalized through friendly negotiations, it would be highly unlikely that the directorship of the subsidiary company would be taken up by persons only trusted by the Shenzhen side but not accepted by the Hong Kong side.

7. Some members were also concerned about the procedure for the nomination and termination of appointment of the Board of Directors of the subsidiary company, and the monitoring of the subsidiary company. The Administration advised that nominations for the Board of Directors of the subsidiary company would be made by the Joint Task Force via the HKSAR Government for appointment by HKSTPC. The Joint Task Force would be co-chaired by the Secretary for Innovation and Technology on the Hong Kong side and a Vice Mayor of Shenzhen Municipality on the Shenzhen side. The HKSAR Government, through HKSTPC, not only had the power of appointment of directors of the Board, but also the power of terminating the appointment. As regards the monitoring of the subsidiary company, the Administration pointed out that the subsidiary company would report to HKSTPC and the Joint Task Force on the development of the Park. HKSTPC would table its annual reports to the

LegCo, and the Administration would report to the Panel on the latest update of the work of HKSTPC.

8. Some members expressed their support for the development of both high education and high-tech research and development ("R&D") in the Loop, and relayed that the information technology ("IT") sector welcomed the development of the Loop into a key base for innovation and technology ("I&T"). Some other members raised concern over the development schedule of the Park and funding support to be provided by the HKSAR Government to HKSTPC for the Park. The Administration advised that it aimed to submit the funding application for the Advance Works and the detailed design of Main Works Package 1 to LegCo in end 2017/early 2018 at the earliest, and to handle simultaneously the relevant tender invitations.

9. Noting that the positioning and mode of operation of the Park, including the means of sub-leasing the land or offices, had yet to be determined, some members were worried that HKSTPC might exercise its authority, as permitted under the relevant provisions of the Hong Kong Science and Technology Parks Corporation Ordinance (Cap. 565), via the subsidiary company it would wholly own, to sell the land or offices in the Park for profits.

10. The Administration explained that HKSTPC's authority to sublease the land had only been exercised in the case of Industrial Estates ("IEs") where the premises were designed and built by a single grantee. The HKSAR Government would grant the formed land within the Loop to HKSTPC by appropriate land disposal means for the development of the Park. The premises in the Loop including the offices and laboratories therein would be rented to the tenants, similar to the business model of the Hong Kong Science Park. Moreover, provisions could be included in future documents to prohibit HKSTPC's subsidiary from selling the land for profit if necessary.

Policy on re-industrialization and the latest development of the industrial estates and Hong Kong Science Park

11. Members expressed views on taking forward re-industrialization in Hong Kong, and called on the Administration to augment its efforts in market promotion of local R&D outcomes to develop both local and overseas markets for new technologies and technology products developed in Hong Kong.

12. On the strategies for promoting re-industrialization, members referred to the proposal announced in the 2017-18 Budget for setting up a new committee chaired by the Financial Secretary ("FS") on I&T development and re-industrialization, and queried whether the proposed arrangement for the new committee to be led by FS could align the policies of and strengthen the collaboration among relevant Government bureaux and departments to support I&T development and promote re-industrialization. The Administration advised that the new committee to be put under the leadership of FS should be able to provide sufficient policy steer to foster the I&T development and industrialization in Hong Kong.

13. Members enquired whether the sites that had been repossessed from existing factory operators in the three IEs would be used for the construction of specialized multi-storey industrial buildings or demarcated into smaller sites for developments to meet the needs of smaller scale technology companies. The Administration advised that pursuant to the revised IE policy which sought to encourage smart production and attract high value-added technology industries and manufacturing processes, HKSTPC would in future mainly build and manage specialized multi-storey industrial buildings for rental by multi-users instead of granting the sites to single users to build their own factories. HKSTPC would also consider granting sites on long lease to meritorious applicants for building standalone factories on a case-by-case basis with strong justifications.

14. On members' concern about the progress of the two pilot projects at Tseung Kwan O IE, i.e. the Advanced Manufacturing Centre ("AMC") and the Data Technology Hub ("DT Hub"), the funding proposals of which were approved by the Finance Committee ("FC") in May 2016, the Administration advised that the detailed design of DT Hub had been completed and the project was expected to be completed in 2020. As regards AMC, an industrial planning consultant was conducting a detailed study on the advanced industries' latest technological and operational requirements so as to set out the preliminary design standards to cater for the needs of advanced automated production. AMC was expected to be completed by 2021-2022 at the earliest.

15. Some members were of the view that development of overseas markets for local R&D outcomes was crucial to the success of re-industrialization, and urged the Administration to enhance publicity and promotion of locally developed technologies and technology products in the international arena. These members opined that the Administration

should take the lead in adopting local technology products to support re-industrialization.

Nurturing of talents for the innovation and technology industry

16. The Panel discussed the new initiatives to further promote I&T development announced in the 2017 Policy Address, and the latest progress of the initiatives introduced last year. Pointing out that the proposed implementation of many large scale I&T infrastructure projects as announced in the 2017 Policy Address would generate a huge demand for talents in the industry, some members raised concern about the Administration's plan for nurturing the requisite local talents to underpin the long-term development of I&T industry.

17. The Administration advised that it had been promoting Science, Technology, Engineering and Mathematics education and implementing the Enriched Information Technology Programme in secondary schools to arouse students' interests in science and create a stronger I&T culture. To encourage university graduates to pursue a career in I&T and nurture more talents, the Internship Programme was launched in 2004 to support interns. The Park in the Loop would also attract top enterprises, universities and scientific research institutions from the Mainland and overseas to set up laboratories and branches for carrying out research projects, which would help nurture more I&T talents for Hong Kong.

18. Some members strongly suggested that the Innovation and Technology Bureau should enhance the coordination with relevant Government bureaux to formulate a more holistic policy for nurturing of I&T talents, and to convey the long-term manpower needs of the I&T industry to the bureaux concerned and the University Grants Committee for drawing up manpower development plans with the eight local universities with a view to training up a sufficient number of graduates in science-related disciplines, thereby providing the necessary talent pool to support I&T development in Hong Kong.

Recent implementation of various funding schemes under the Innovation and Technology Fund

19. The Panel discussed the implementation progress of various funding schemes under the Innovation and Technology Fund ("ITF"), namely the Technology Start-up Support Scheme for Universities ("TSSSU"), Enterprise Support Scheme ("ESS"), the Midstream Research Programme for Universities, the Technology Voucher Programme ("TVP"),

the R&D Cash Rebate Scheme, the Public Sector Trial Scheme and the Internship Programme. Members supported the Administration's proposal for making enhancement to Innovation and Technology Support Programme under ITF by expanding the eligibility criteria to all self-financing degree-awarding institutions registered under the Post-Secondary Colleges Ordinance (Cap. 320) in the second half of 2017 with a view to encouraging more R&D activities.

Technology Start-up Support Scheme for Universities

20. The Panel supported the proposal for continuing TSSSU for another three years from 2017-2018 to 2019-2020 to assist start-ups established by teams associated with local universities in commercializing their R&D results. In the course of discussion, members urged the Administration to review the funding ceiling of TSSSU, and expressed concern that some R&D projects with good potential might not be able to secure TSSSU funding for further development due to overly stringent selection criteria or limited funding available for each university.

21. Members enquired about the monitoring and control mechanism for assessing the performance of the approved start-ups. Some members were keen to know whether the six eligible universities would adopt the same set of selection criteria for TSSSU applications. The Administration advised that each eligible university could devise its appropriate assessment and selection mechanism for which Innovation and Technology Commission's ("ITC") endorsement was required. Applications assessed and recommended by the selection panels established by universities would be forwarded to ITC for agreement.

22. To enhance the transparency of TSSSU, some members suggested that the Administration should make public the essential information of TSSSU-funded start-ups on ITC's and individual universities' websites in an easy-to-search format. The Administration was also urged to consider making public the assessment reports of TSSSU on an annual basis both on the approved and rejected applications, and the major achievements of the concerned university start-ups.

Technology Voucher Programme

23. The Panel welcomed the implementation of TVP. However, some members were concerned that many intermediaries had been promoting consultancy services on TVP to SMEs, and that some SMEs got the impression that engaging a technology consultant was a compulsory

requirement of TVP projects. In this connection, these members urged the Administration to clarify the application requirements and procedures of TVP in relevant publicity materials, and provide information on the ITC website to prevent unscrupulous intermediaries from profiteering from the programme. The Administration responded that it was not mandatory for SMEs to engage consultants or intermediaries to assist in preparing the applications, and assured members that ITC would step up publicity and education to enhance SMEs' understanding of the application procedures and the relevant requirements.

24. Some members noted with concern the small number of applications for TVP received since its launch in late November 2016 up to March 2017, and suggested that the Administration should widely promote TVP to various industries, including those in the financial services industry, to encourage more SMEs to apply for TVP funding to improve productivity, or upgrade or transform their business process by using technological services and solutions.

Enterprise Support Scheme

25. The Panel noted the high withdrawal rate and low approval rate of applications under ESS received since the launch of the scheme in April 2015 and enquired about the reasons behind. The Administration was urged to track the development of approved ESS project to assess the effectiveness of the funding scheme. According to the Administration, the applications were withdrawn mainly because they were outside the funding scope of ESS. Some applications were rejected on the ground that they did not comprise any R&D element. The Administration would enhance companies' understanding on the overall objectives, assessment criteria and application procedures of ESS by enhancing information of the scheme provided in the ITC's website.

Internship Programme

26. Since the current internship allowance was below market level, some members expressed concern that quite a number of organizations and companies had encountered difficulty in retaining local graduates who were employed as interns under the Internship Programme to assist in their R&D projects. These members urged the Administration to review the level of internship allowance at a more frequent interval to ensure that the allowance would be on a par with market level.

27. The Administration was also urged to put in place complementary measures to enrich the R&D talent pool in Hong Kong to support the development of the I&T industry and retain R&D talents in the face of severe competition from the neighbouring region, and to assess the effectiveness of relevant schemes under ITF in nurturing more R&D talents in Hong Kong.

Progress of implementation of the patents reform

28. The Panel discussed the progress that had been made in implementing a new patent system in Hong Kong, and the long-term manpower requirement in terms of organization setup and directorate leadership of the Intellectual Property Department ("IPD") to follow through the patent reform.

29. Noting that the Patent Prosecution Highway ("PPH") programmes could help expedite the processing of patents applications, some members opined that Hong Kong should set up PPH with the patent offices of other countries to enhance the competitiveness of the new patent system to attract more users. Given that the State Intellectual Property Office of the Mainland ("SIPO") had entered into PPH programmes with at least 20 patent offices, and that SIPO would provide technical assistance in conducting substantive examination of patent applications filed under the original grant patent ("OGP") route in Hong Kong, the Administration advised that it would consider initiating discussions with other patent authorities for establishing bilateral and plurilateral PPHs in due course after rolling out the new patent system.

30. Some members were keen to ensure that there would be sufficient demand to sustain a cost-effective OGP system given the small market in Hong Kong. The Administration advised that the OGP system accepted Chinese as one of the official languages for filing of patent applications and allowed local companies to apply for standard patent protection in Hong Kong directly without going through a designated patent office, thus providing an efficient and user-friendly filing route for local applicants. Upon the establishment of the new OGP system, Hong Kong would be in a better position to negotiate for setting up PPH with other patent offices to expedite the examination process, which would facilitate OGP applicants to seek patent protection in other jurisdictions, thereby enhancing the attractiveness of the OGP system.

31. Members were concerned about the Administration's plan for the grooming of requisite talents in the legal, science and engineering

disciplines to support the operation of the OGP system in Hong Kong. The Administration advised that IPD had entered into a cooperative agreement with SIPO under which SIPO agreed to provide technical assistance and support to IPD in conducting substantive examination of patent applications and also in manpower training under the new patent system. IPD also planned to develop its in-house capacity in conducting indigenous substantive examination in the medium to long term following the establishment of the OGP system.

32. The Panel supported the Administration's proposal for making permanent the supernumerary post of Assistant Director of Intellectual Property (Directorate Legal 2) in IPD, to continue with the duties and responsibilities pertinent to the patent portfolio, including the new patent system. Members urged the Administration to explore the possible application of Bolar exemption in Hong Kong's patent law to help lower the cost of medical expenses relating to the use of patented drugs by the needy and in public hospitals.

33. The Administration advised that the supernumerary post and the patents team would conduct review of the patent law from time to time and propose to introduce further legislative amendments as might be required. One of the possible topics under such review might cover whether the Bolar exemption should be introduced into the local patent law.

Progress of the updating of the copyright regime

34. The Panel was briefed on the details of the copyright exceptions for persons with a print disability ("PPDs") under the "Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled" ("Marrakesh Treaty") and the existing Copyright Ordinance ("CO"). The Panel noted that the Marrakesh Treaty required contracting parties to introduce a standard set of limitations and exceptions in their copyright laws in order to permit reproduction, distribution and making available of copies of published works in formats designed to be accessible to PPDs, and to permit cross-border exchanges of such accessible format copies for the benefit of PPDs without being regarded as infringing copyrights. The Panel also noted that while the existing copyright exceptions to serve the needs of PPDs were largely comparable with the requirements under the Marrakesh Treaty, there were certain areas which might need to be amended to align with the treaty requirements. The Administration advised that it had launched a three-month consultation exercise to gauge views on the key issues involved.

35. Members sought clarification on whether the scope of copyright exceptions for PPDs under the existing CO covered the meaning of "beneficiary persons" under the Marrakesh Treaty. The Administration advised that the existing scope of "print disability" under CO was largely comparable with the scope of "beneficiary persons" under the Marrakesh Treaty. Yet, since the definition of "beneficiary persons" under the Marrakesh Treaty further extended to persons with a perceptual or reading disability, which might cover dyslexia, the Administration was seeking public views on whether the scope of the beneficiaries under CO should be expanded by including "persons with a perceptual or reading disability" to align with the Marrakesh Treaty.

36. In response to members' enquiries about the legislative timetable for amending CO to bring the copyright exceptions for PPDs in line with the Marrakesh Treaty, the Administration advised that it would carefully consider comments to be received during the consultation exercise before making a policy decision on whether and how it should amend CO to align the copyright exceptions with the Marrakesh Treaty. The Administration aimed to put forward the relevant legislative proposals in about one year after a decision had been made on the way forward.

Promoting intellectual property in Hong Kong

Expanding the scope of tax deduction for capital expenditure incurred for the purchase of intellectual property rights

37. The Panel supported the Administration's legislative proposal to implement the 2016-2017 Budget initiative in respect of the expansion of the scope of tax deduction for capital expenditure incurred for the purchase of intellectual property rights ("IPRs") from five categories to eight to encourage the creation and commercialization of IP. The three additions were layout-design (topography) of integrated circuits, plant varieties and rights in performances. Upon the inclusion of the proposed three types of IPRs, all major IPRs in Hong Kong would be covered by the tax deduction measure.

38. Members also urged the Administration to consider introducing tax concession for R&D expenditure incurred by enterprises to drive R&D investment of the private sector, which could also encourage enterprises to actively engage in the development of IP-related business. The Administration advised that it had to take into account Hong Kong's prevailing taxation policy and principles, effectiveness of similar measures

in other jurisdictions and whether the proposed measures would be regarded as a harmful tax practice under relevant international regulations.

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

39. The Panel supported the implementation of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks ("Madrid Protocol") in Hong Kong. Members noted that subject to the progress of preparatory work, the Administration planned to liaise with the Central People's Government to seek application of the Madrid Protocol to Hong Kong in 2019 the earliest.

40. Some members were worried about the negative impact on the business of local trade mark agents which might be brought about by the proposed application of the Madrid Protocol to Hong Kong. The Administration responded that upon the implementation of the Madrid Protocol in Hong Kong, overseas applicants could seek trade mark protection in Hong Kong by filing an international application designating Hong Kong, thus dispensing them with the need to engage a local trade mark agent to handle the applications. The local trade mark agents had expressed concern about the possible adverse effect of the proposal on the local trade mark profession as a result of a reduction of locally filed trade mark applications. Yet, over the longer term, the increase in the utilization of the Madrid System and the designations to Hong Kong might result in more local agents being engaged in handling an increasing volume of provisional refusals or oppositions.

Promotion of inward investment

41. The Panel discussed the investment promotion work and major achievements of Invest Hong Kong ("InvestHK") in 2016 and the way forward for 2017. Some members raised concern over the inadequate support services provided by InvestHK or other government departments to the target companies, particularly assistance in the relevant laws, rules and regulations governing the mode of operation of the relevant business sectors. As such, certain target companies which had come to invest in Hong Kong had encountered problems relating to legal and operational issues.

42. The Administration advised that InvestHK offered proactive, one-to-one support services to companies (including target companies and companies which approached InvestHK) throughout their planning and

implementation process for investment in Hong Kong. InvestHK also maintained regular liaison with government departments to keep them abreast of the changing dynamics in the business environment. It was the ultimate responsibility of companies which made a business decision to invest in Hong Kong to clarify any legal issues associated with their operations.

43. Some members enquired how InvestHK would promote Hong Kong as an investment destination to capitalize on new business opportunities arising from initiatives such as the Belt and Road Initiative and the Greater Bay Area. The Administration advised that Hong Kong was well-placed as a "super-connector" in Belt and Road Initiative and the Greater Bay Area which offered tremendous opportunities for countries in the region. Hong Kong could act as a platform for infrastructure financing to finance infrastructure projects in the Belt and Road countries, and work closely with the Asian Infrastructure Investment Bank to achieve this goal.

Support measures for the small and medium enterprises

Extension on and progress of the Dedicated Fund on Branding, Upgrading and Domestic Sales and the special concessionary measures under the SME Financing Guarantee Scheme

44. The Administration briefed the Panel on the latest progress of the Dedicated Fund on Branding, Upgrading and Domestic Sales ("BUD Fund"), the special concessionary measures under the SME Financing Guarantee Scheme ("SFGS"), and the extension of the application periods of the two schemes. The BUD Fund comprised Enterprise Support Programme ("ESP") and Organization Support Programme ("OSP"). The Panel noted that after the introduction of the reduction of the annual guarantee fee rate by 10% and removal of the minimum guarantee fee for the special concessionary measures on 1 June 2016, the number of applications for the special concessionary measures had increased by 15% in the second half of 2016 compared to the first half of the year; and by 45% in the first quarter of 2017 compared to the same period in 2016.

45. Pointing out that a total of 775 net default claims had been received under the special concessionary measures under SFGS at end-February 2017 but only 175 claims had been approved and compensated thus far, some members queried whether the Administration had reviewed the effectiveness of the processing arrangement for claim cases. The Administration advised that Hong Kong Mortgage

Corporation ("HKMC") had been actively processing the outstanding default claims, and the primary reason why HKMC could not yet complete the vetting of these claims was that the participating lending institutions concerned had not yet provided HKMC with all the required information and documents for the due diligence review.

46. Members also suggested that the Administration should make public information on the approved and rejected applications under the various industries/sectors in respect of ESP and OSP and the special concessionary measures under SFGS, with details on the kinds of projects which were granted approval and the justifications for rejecting the applications, so that the interested enterprises would be able to better understand the requirements of and vetting procedure for such programmes and stand a better chance of approval for applications.

Development of the Trade Single Window

47. Whilst supporting the development of a Trade Single Window ("SW") in general, some members relayed the concern of the trade on whether fees would be charged for amending the information submitted for pre-shipment documentation. The Administration advised that the change in submission mode to SW should be neutral and itself should not attract a new fee. The Administration also emphasized that where justified, a trade document that was currently not subject to a charge for submission would remain so in future. In other cases where a fee was required, it would be set to recover the cost of that part of the SW service attributed to the trade document concerned.

48. Members urged the Administration to expedite the implementation of SW to catch up with the development of SW in the neighbouring region, including the Mainland and the Asia-Pacific Economic Cooperation. The Administration responded that it planned to submit the legislative proposal for the new enabling principal Ordinance by 2019 and seek funding approval from FC within the current LegCo term to take forward system design and development.

Convention and exhibition facilities

49. The Administration briefed the Panel on the proposal of the comprehensive development of the Wan Chai Sports Ground ("WCSG"), which included the construction of convention and exhibition ("C&E") venues, recreational and sports facilities for use by the public. The Administration advised that the Hong Kong Trade Development Council

("HKTDC") would conduct a feasibility study on the proposal. In addition, the Panel noted the Administration's decision to invite HKTDC to undertake the preliminary design work of the proposed convention centre to be constructed above the Exhibition Station of the Shatin to Central Link ("the new convention centre"), which was targeted to be completed in 2020.

50. Some members were not convinced of the justification for the comprehensive development proposal of WCSG which, according to the Administration, was to provide additional C&E venues in Wan Chai in order to meet the projected shortfall in supply of C&E space. These members pointed out that the AsiaWorld Expo ("AWE") was yet to expand to provide more C&E space and that a piece of land designated for the construction of C&E centres with a gross floor area not exceeding 200 000 sq m was available at Chek Lap Kok.

51. The Administration advised that the gross floor area of 200 000 sq m to be provided at the Chek Lap Kok site for the construction of C&E centres already included the C&E venues provided in AWE Phases I and II developments with net floor areas of about 66 000 and 50 000 sq m dedicated for C&E use respectively. The Administration had been discussing with the joint venture partner of AWE on phase II development of AWE having regard to its business development and the latest development of Lantau Island.

52. Some members enquired about the justifications for inviting HKTDC to undertake the preliminary design work of the new convention centre, and conduct a feasibility study on the proposal of the comprehensive development of WCSG. They asked whether the Administration would engage HKTDC to manage the newly constructed C&E facilities in the future, and correspondingly the operating rights of these facilities would be granted to the current operator of the Hong Kong Convention and Exhibition Centre ("HKCEC"), given the "non-competition" clause included in the operation agreement between HKTDC and the operator of HKCEC.

53. The Administration responded that HKTDC had a thorough understanding of the needs of Hong Kong businesses as well as world trends in C&E facilities. While HKTDC had been invited to undertake the preliminary design work of the new convention centre and conduct the feasibility study of the comprehensive development of WCSG, the Administration had no plan to entrust these projects to HKTDC for development at this stage.

54. Members opined that the Administration should ensure a seamless interface between the provision of alternative sports venues and the redevelopment of WCSG in order not to affect users of sports venues and facilities. The Administration advised that the proposed comprehensive development of WCSG was a preliminary idea, and was aware of the sports sector's concerns about the proposal.

Joint subcommittee under the Panel on Health Services and the Panel on Commerce and Industry on issues relating to the regulation of devices and development of the beauty industry

55. The Panel supported the proposal to set up a joint subcommittee with the Panel on Health Services to study issues relating to the regulation of devices and development of the beauty industry. Some members had reservation about the Administration's legislative proposal on regulation of medical devices, and held the view that it was unreasonable for some devices commonly used in cosmetic procedures being classified as medical devices and subject to use control under the proposed regulatory framework of medical devices. They urged the Administration not to take forward the legislative proposal before the joint subcommittee could reach a conclusion on the issue. Members noted that the joint subcommittee would, pursuant to rule 26(b) of the House Rules, be placed on the waiting list of subcommittees on policy issues to be activated.

S Rajaratnam School of International Studies and the World Trade Organization Parliamentarian Workshop 2017 in Singapore

56. On 24 March 2017, the House Committee endorsed the Panel's nomination of Dr Hon YIU Chung-yim to attend the captioned Parliamentarian Workshop 2017 from 15 to 17 May 2017 in Singapore. The aim of the Workshop was to increase the capacity of regional parliamentarians and legislators to engage in international trade issues. Dr YIU submitted his report on the Workshop to House Committee on 16 June 2017 and presented the observations and recommendations of his report at the Panel meeting on 20 June 2017.

Overseas duty visit to Israel

57. The Panel has planned to undertake an overseas duty visit to Israel from 22 to 28 July 2017 to study the country's experience in promoting the development of I&T industry and re-industrialization. The delegation currently comprises nine Panel members and three non-Panel members. On the Panel's invitation, two officials from ITC would join the visit to facilitate the delegation's understanding of the applicability of Israeli

Government's experience in Hong Kong and advise the delegation on issues relating to the development of I&T industry.

Meetings held

58. From October 2016 to June 2017, the Panel held a total of 10 meetings, including one meeting held jointly with the Panel on Development and the Panel on Information Technology and Broadcasting. The Panel has scheduled a meeting for July 2017 to discuss the financing arrangements for the development of InnoCell at Pak Shek Kok, and the latest development of the trade relations between the Mainland and Hong Kong.

Council Business Division 1
Legislative Council Secretariat
5 July 2017

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 2016 - 2017 session*

Chairman	Hon WU Chi-wai, MH
Deputy Chairman	Hon SHIU Ka-fai
Members	Hon Jeffrey LAM Kin-fung, GBS, JP
	Hon WONG Ting-kwong, GBS, JP
	Hon CHAN Kin-por, GBS, JP
	Hon Mrs Regina IP LAU Suk-ye, GBS, JP
	Hon Paul TSE Wai-chun, JP
	Hon LEUNG Kwok-hung
	Hon YIU Si-wing, BBS
	Hon MA Fung-kwok, SBS, JP
	Hon Charles Peter MOK, JP
	Hon CHAN Chi-chuen
	Hon Dennis KWOK Wing-hang
	Hon Christopher CHEUNG Wah-fung, SBS, JP
	Dr Hon Elizabeth QUAT, BBS, JP
	Hon Martin LIAO Cheung-kong, SBS, JP
	Dr Hon CHIANG Lai-wan, JP
	Ir Dr Hon LO Wai-kwok, SBS, MH, JP
	Hon CHUNG Kwok-pan
	Hon CHU Hoi-dick
	Hon Jimmy NG Wing-ka, JP
	Hon CHAN Chun-ying
	Hon Tanya CHAN
	Hon LAU Kwok-fan, MH
	Dr Hon YIU Chung-yim

(Total : 25 members)

Clerk	Mr Desmond LAM
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Legal Adviser	Miss Winnie LO
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* Changes in membership are shown in Annex.

Panel on Commerce and Industry

Changes in membership

Member	Relevant date
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP	Up to 23 October 2016
Hon Kenneth LEUNG	Up to 25 October 2016
Prof Hon Joseph LEE Kok-long, SBS, JP	Up to 6 November 2016
Hon Starry LEE Wai-king, SBS, JP	Up to 8 November 2016
Hon Michael TIEN Puk-sun, BBS, JP	Up to 8 November 2016
Hon CHAN Han-pan, JP	Up to 8 November 2016
Hon Wilson OR Chong-shing, MH	Up to 9 November 2016
Hon Steven HO Chun-yin, BBS	Up to 9 November 2016
Hon LEUNG Che-cheung, SBS, MH, JP	Up to 9 November 2016
Hon IP Kin-yuen	Up to 10 November 2016
Hon CHAN Hak-kan, BBS, JP	Up to 10 November 2016
Hon Claudia MO	Up to 10 November 2016
Hon KWONG Chun-yu	Up to 13 November 2016
Hon Andrew WAN Siu-kin	Up to 17 November 2016
Dr Hon LAU Siu-lai	Up to 17 November 2016
Hon SHIU Ka-chun	Up to 17 November 2016
Dr Hon KWOK Ka-ki	Up to 20 November 2016
Hon LEUNG Yiu-chung	Up to 22 November 2016
Dr Hon Junius HO Kwan-yiu, JP	Up to 28 November 2016
Hon YUNG Hoi-yan	Up to 29 November 2016
Hon CHEUNG Kwok-kwan, JP	Up to 30 November 2016
Hon Abraham SHEK Lai-him, GBS, JP	Up to 1 December 2016
Hon WONG Kwok-kin, SBS, JP	Up to 4 December 2016
Hon Alice MAK Mei-kuen, BBS, JP	Up to 4 December 2016
Hon KWOK Wai-keung, JP	Up to 4 December 2016
Hon HO Kai-ming	Up to 4 December 2016
Hon LUK Chung-hung	Up to 4 December 2016
Hon LAM Cheuk-ting	Up to 13 December 2016
Hon Nathan LAW Kwun-chung	Up to 12 December 2016
Hon Alvin YEUNG	Up to 20 December 2016
Hon Jeremy TAM Man-ho	Up to 2 January 2017
Hon Kenneth LAU Ip-keung, BBS, MH, JP	Up to 12 January 2017
Dr Hon Helena WONG Pik-wan	Up to 23 January 2017
Hon James TO Kun-sun	Up to 5 February 2017
Hon Holden CHOW Ho-ding	Up to 6 February 2017
Hon HUI Chi-fung	Up to 7 February 2017
Dr Hon Fernando CHEUNG Chiu-hung	Up to 19 March 2017