

**立法會**  
***Legislative Council***

LC Paper No. CB(1)341/17-18  
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by the Administration)

Ref : CB1/PL/CI

**Panel on Commerce and Industry**

**Minutes of policy briefing cum meeting  
held on Tuesday, 17 October 2017, at 2:30 pm  
in Conference Room 1 of the Legislative Council Complex**

**Members present** : Hon WU Chi-wai, MH (Chairman)  
Hon SHIU Ka-fai (Deputy Chairman)  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon WONG Ting-kwong, GBS, JP  
Hon CHAN Kin-por, GBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Steven HO Chun-yin, BBS  
Hon Frankie YICK Chi-ming, SBS, JP  
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 Holden CHOW Ho-ding  
Hon YUNG Hoi-yan  
Hon CHAN Chun-ying  
Hon Tanya CHAN  
Hon LAU Kwok-fan, MH

**Member attending** : Dr Hon KWOK Ka-ki

**Public officers attending** : Agenda item III

Commerce and Economic Development Bureau

Mr Edward YAU, GBS, JP  
Secretary for Commerce and Economic Development

Mr Philip YUNG, JP  
Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)

Ms Vivian SUM, JP  
Deputy Secretary for Commerce and Economic Development (Commerce and Industry)<sup>1</sup>

Mr Gary POON  
Deputy Secretary for Commerce and Economic Development (Commerce and Industry)<sup>2</sup>

Miss Erica NG, JP  
Deputy Secretary for Commerce and Economic Development (Commerce and Industry)<sup>3</sup>

Ms Cora HO  
Deputy Secretary for Commerce and Economic Development (Belt and Road)

Ms Salina YAN, JP  
Director-General of Trade and Industry

Constitutional and Mainland Affairs Bureau

Mr Patrick NIP, JP  
Secretary for Constitutional and Mainland Affairs

Mr Roy TANG, JP  
Permanent Secretary for Constitutional and Mainland Affairs

Mr Andy CHAN, JP  
Under Secretary for Constitutional and Mainland  
Affairs

Miss Charmaine LEE, JP  
Deputy Secretary for Constitutional and Mainland  
Affairs 2

Ms Joyce HO  
Deputy Secretary for Constitutional and Mainland  
Affairs 3

Innovation and Technology Bureau

Mr Nicholas W YANG, GBS, JP  
Secretary for Innovation and Technology

Mr CHEUK Wing-hing, JP  
Permanent Secretary for Innovation and  
Technology

Dr David CHUNG, JP  
Under Secretary for Innovation and Technology

Mrs Millie NG, JP  
Deputy Secretary for Innovation and Technology

Ms Annie CHOI, JP  
Commissioner for Innovation and Technology

Mr Johann WONG, JP  
Deputy Commissioner for Innovation and  
Technology

Mr Allen YEUNG, Ir, JP  
Government Chief Information Officer

**Clerk in attendance :** Mr Desmond LAM  
Chief Council Secretary (1)3

**Staff in attendance :** Mr Joey LO  
Senior Council Secretary (1)8

Miss Judy YEE  
Council Secretary (1)3

Ms May LEUNG  
Legislative Assistant (1)3

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Action

**I. Information papers issued since the meeting on 18 July 2017**

(File Ref: CITB CR 75/53/4 and CITB CR 75/53/5/1 -- Legislative Council Briefs on United Nations Sanctions (Democratic Republic of the Congo) Regulation 2017 and United Nations Sanctions (South Sudan) Regulation 2017

LC Paper No. CB(1)1429/16-17(01) -- Information paper on the financial position of the Applied Research Fund for the period from 1 December 2016 to 28 February 2017

File Ref: CITB CR 95/53/1 -- Legislative Council Brief on United Nations Sanctions (Libya) Regulation 2011 (Amendment) Regulation 2017)

Members noted the above papers issued since the meeting on 18 July 2017.

**II. Date of next meeting and items for discussion**

(LC Paper No. CB(1)32/17-18(01) -- List of outstanding items for discussion

LC Paper No. CB(1)32/17-18(02) -- List of follow-up actions)

2. Members noted that the next regular Panel meeting would be held on 21 November 2017 from 2:30 pm to 5:00 pm to discuss the following items proposed by the Administration—

- (a) Development of the InnoCell adjacent to Hong Kong Science Park; and

- (b) Report on the work of the overseas Hong Kong Economic and Trade Offices and the Offices of the Government of the Hong Kong Special Administrative Region in the Mainland and Taiwan in 2016-2017.

**III. Briefings by the Secretary for Commerce and Economic Development, the Secretary for Constitutional and Mainland Affairs and the Secretary for Innovation and Technology on the Chief Executive's 2017 Policy Address**

(LC Paper No. CB(1)20/17-18(01) -- Administration's paper on 2017 Policy Address — Policy initiatives of Commerce, Industry and Tourism Branch, Commerce and Economic Development Bureau

LC Paper No. CB(1)20/17-18(02) -- Administration's paper on 2017 Policy Address — Policy initiatives of Constitutional and Mainland Affairs Bureau in relation to Mainland co-operation and Taiwan affairs

LC Paper No. CB(1)32/17-18(03) -- Administration's paper on 2017 Policy Address — Policy initiatives of Innovation and Technology Bureau

LC Paper No. CB(1)65/17-18(01) -- Speaking note of the Secretary for Constitutional and Mainland Affairs)  
(*Chinese version only; tabled at the meeting and subsequently issued on 18 October 2017*)

Relevant papers

The Chief Executive's 2017 Policy Address (*issued on 11 October 2017*)

The 2017 Policy Agenda booklet (*issued on 11 October 2017*)

Presentation by the Administration

3. At the invitation of the Chairman, Secretary for Commerce and Economic Development ("SCED") briefed the Panel on the policy initiatives of the Commerce, Industry and Tourism Branch of the Commerce and Economic

Development Bureau ("CEDB") featured in the 2017 Policy Address. Details of the relevant policy initiatives were set out in the Administration's paper (LC Paper No. CB(1)20/17-18(01)).

4. Secretary for Constitutional and Mainland Affairs ("SCMA") was then invited by the Chairman to brief the Panel on the policy initiatives of the Constitutional and Mainland Affairs Bureau ("CMAB") in relation to Mainland co-operation and Taiwan affairs featured in the 2017 Policy Address. Details of the relevant policy initiatives were set out in the Administration's paper (LC Paper No. CB(1)20/17-18(02)) and SCMA's speaking note (LC Paper No. CB(1)65/17-18(01)).

5. Lastly, the Secretary for Innovation and Technology ("S for IT") was invited by the Chairman to brief the Panel on the policy initiatives of the Innovation and Technology Bureau ("ITB") in respect of promotion of innovation and technology ("I&T") featured in the 2017 Policy Address. Details of the relevant policy initiatives were set out in the Administration's paper (LC Paper No. CB(1)32/17-18(03)).

### Discussion

#### *Strengthening Hong Kong's convention and exhibition industry*

6. Ms Tanya CHAN was concerned about the development of the proposed convention and exhibition ("C&E") facilities, and raised the following questions –

- (a) whether the Hong Kong Trade Development Council ("HKTDC") had still been conducting the feasibility study of the comprehensive development proposal of Wan Chai Sports Ground ("WCSG") as initiated by the last-term Government;
- (b) whether the current-term Government would engage HKTDC to manage the Hong Kong Convention and Exhibition Centre ("HKCEC") extension, the latest proposal of which would demolish three government towers in Wan Chai North next to the existing HKCEC and develop the site into a C&E venue, with hotel and Grade A premises above it; if so, whether the operation of the new C&E facilities would be required to be undertaken by the Polytown Company Limited ("PCL"), the existing operator of HKCEC, in light of the provision of the "non-competition" clause included in the operation agreement signed in 1985 between HKTDC and PCL concerning the operation of HKCEC, which imposed restraints on either party's participation in the establishment of any exhibition facility or trade mart located in Hong Kong other than HKCEC and in

operation at any time during the term of the operation agreement; and

- (c) whether the current-term Government had still taken on board the policy on the further development of HKCEC as set by the previous Government that it would consider the question of support for the expansion of HKCEC only if it was satisfied that there would be unmet demand taking into account, inter alia, the 100 000 square metres ("sq m") of exhibition space provided by the AsiaWorld-Expo ("AWE") Phase 1 and Phase 2 and the timing of its availability, and that government support was fully justified for the good of the economy.

7. SCED said that according to the findings of the "Demand Study for New Convention and Exhibition Facilities in Hong Kong" commissioned in 2014, there would be a shortfall of 130 000 sq m of C&E venues at peak periods by 2028. In order to meet the venue shortage, the Administration had considered different options and was of the view that the priority would be to build next to HKCEC a new wing of C&E venue of international standard. The new venue would be connected to and integrated with HKCEC to maximize the benefits. Therefore, the Administration had decided to put on hold the development proposal of WCSG as announced earlier, and to demolish the three government towers in Wan Chai North next to HKCEC instead for building the new wing. SCED further said that as stated in the Chief Executive's 2017 Policy Address, the Administration would continue to explore the feasibility of expanding other existing C&E facilities.

8. SCED added that the management contract of Phase 1 of HKCEC was still in force. As the management contract of Phase 2 of HKCEC would expire soon, HKTDC was conducting a tender exercise for a new term of management contract for Phase 2. While the management arrangements for the new wing would have to be worked out nearer the time, it was envisaged that procurement of its management contract would likely follow suit.

9. Noting that the findings of the consultancy study commissioned in 2014 showed that there would be a shortfall of some 130 000 sq m of C&E venues at peak periods by 2028, Mr YIU Si-wing enquired about the monthly average figure of the estimated shortfall in 2028. Referring to the proposal of demolishing the three government towers in Wan Chai North and developing the site into a new C&E venue next to HKCEC, and the construction of a new convention centre above the Mass Transit Railway ("MTR") Exhibition Station of the Shatin to Central Link, Mr YIU enquired about the projected completion dates of the two projects, and the percentage of the shortfall of C&E venues which was expected to be met with upon the completion of the projects. Mr YIU also enquired about the timetable for the commissioning of the preparatory work for the development of the Phase 2 expansion of AWE.

10. SCED said that both HKCEC and AWE were facing the challenge of tight exhibition space supply during peak seasons, and had to turn away some of the large-scale international C&E events. To deal with venue shortage, the Administration had decided to build a new C&E venue next to HKCEC, which would involve the demolition of three government towers and the adjacent Kong Wan Fire Station on Harbour Road in Wan Chai. A total of 29 Government departments had to be relocated. It was expected that the relocation work would be completed by the latter half of the 2020s. The construction of a convention centre above the MTR Exhibition Station would commence upon the scheduled completion of the station in 2021.

*Providing enhanced tax deduction for expenditure incurred by enterprises on research and development*

11. Ms Tanya CHAN enquired whether there would be a designated panel set up for the vetting of the tax returns filed by enterprises under the proposal to provide enhanced tax deduction for expenditure incurred by enterprises on research and development ("R&D").

12. S for IT said that the Administration would submit a legislative proposal to amend the Inland Revenue Ordinance (Cap. 112) to provide enhanced tax deduction for expenditure incurred by enterprises on R&D. The Inland Revenue Department ("IRD") would consult the Innovation and Technology Commission on uncertain cases of tax deduction for expenditure on R&D. In response to Mr Jimmy NG's enquiry on whether the unused portion of the R&D expenditure deduction could be carried forward for use in future financial years; and if so, whether it could be accumulated for an unlimited period as a form of tax credit, S for IT said that ITB would work closely with the Financial Services and the Treasury Bureau and IRD on the relevant taxation arrangements.

13. Ir Dr LO Wai-kwok said that the recent 37th Hong Kong Electronics Fair (Autumn Edition) showcased many of the most innovative electronics R&D deliverables created by local universities and start-ups involving the integration of optical, mechanical and electronics technologies, and the integration of hardware and software. He hoped that the Administration would continue to build on Hong Kong's strengths in R&D. S for IT said that Hong Kong had heralded in an era which thrived on the integration of optical, mechanical and electronics technologies, as well as hardware/software integration. In this regard, the Advanced Manufacturing Centre being built in Tseung Kwan O would feature a strong focus on optical, mechanical and electronics technologies.



*Supporting small and medium enterprises to use I&T*

14. Mr YIU Si-wing enquired about the progress of implementation of the Technology Voucher Programme ("TVP") which was launched in end 2016 under the Innovation and Technology Fund ("ITF") on a pilot basis, with a view to subsidizing local small and medium enterprises ("SMEs") in using technological services and solutions to improve productivity, upgrade or transform their business processes. Mr YIU also enquired whether an applicant would be allowed to submit an application under TVP if the applicant had already joined other programmes/schemes under ITF.

15. S for IT said that TVP had been implemented for over 10 months and the success rate of the funding applications had continued to rise. Currently, the success rate was over 90%. Commissioner for Innovation and Technology added that there was no restriction on an applicant to submit an application under TVP even if the applicant had already joined other programmes/schemes under ITF.

*Support for the tourism industry*

16. Noting the signing of the "2017 Work Plan" of the Framework Agreement on Hong Kong/Guangdong Co-operation in February 2017 and the holding of the 20<sup>th</sup> Plenary of the Hong Kong/Guangdong Co-operation Joint Conference by the end of 2017, Mr YIU Si-wing enquired about the direction of co-operation for the coming year in relation to the tourism industry. SCMA said that Hong Kong/Guangdong co-operation covered a wide spectrum of areas and that the Plenary meeting of the Hong Kong/Guangdong Co-operation Joint Conference would take place in November 2017. With respect to co-operation in tourism, CEDB had been in touch with the tourism industry and its Guangdong counterparts. If members had concrete recommendations on enhancing the co-operation in tourism, CEDB could be invited to comment on them as necessary.

17. In response to Mr WONG Ting-kwong's enquiry about the policy initiatives in respect of tourism, SCED advised that apart from maintaining a steady growth in visitor numbers, the Administration was more concerned about attracting more high-yield overnight visitors and Meetings, Incentives, Conventions and Exhibitions visitors in order to ensure balanced, healthy and sustainable development of the tourism industry. Moreover, the Administration aimed to leverage the enhanced transportation network with the Mainland and other countries to develop "multi-destination" tourism products, and to develop and explore tourism products and projects with local and international characteristics, including cultural tourism and green tourism in order to enrich visitors' experience.

*Support for the professional services sector*

18. Ms YUNG Hoi-yan said that unlike local solicitors, Hong Kong barristers were not allowed to set up their own representative offices in the Mainland at present, but were only allowed to be engaged by a law firm in the Mainland as its Hong Kong law consultant to advise on Hong Kong law and procedure-related matters. Ms YUNG urged the Administration to strive for further market liberalization measures for the barristers under the Hong Kong Closer Economic Partnership Arrangement ("CEPA").

19. Director-General of Trade and Industry advised that under CEPA, Hong Kong law firms were allowed to form associations with Mainland counterparts, allowing them to work together on various kinds of legal business under the same roof. At present, 10 such associations were formed in the Mainland, including Nansha, Qianhai and Hengqun. Moreover, Mainland Chinese law firms and Hong Kong law firms were allowed under CEPA to second lawyers to work at each other's offices. The Administration would continue to strive for further market liberalization measures for the barristers in different aspects such as arbitration.

*Support for the film and publication industries*

20. Mr MA Fung-kwok urged the Administration to continue to strive for further liberalization measures under CEPA for the film industry and publication industry. SCED responded that during her visit to Beijing in August 2017, the Chief Executive had conveyed the wish of Hong Kong's publishing and film industries for more development opportunities in the Mainland directly to relevant Mainland authorities.

*New Economic and Trade Office in Thailand*

21. Mr Holden CHOW enquired about the division of work among the three overseas Hong Kong Economic and Trade Offices ("ETOs") in the Association of Southeast Asian Nations ("ASEAN") region after the establishment of the additional ETO in Thailand. He also enquired about the policies and measures to enhance the functions of overseas ETOs.

22. SCED said that with ASEAN's strategic location in the Belt and Road region and it being Hong Kong's second largest merchandise trading partner, Hong Kong would undoubtedly continue to collaborate closely with ASEAN countries in trade-related matters. The recent successful conclusion of the Hong Kong-ASEAN Free Trade Agreement ("FTA") would significantly strengthen Hong Kong's ties with ASEAN, and further enhance the flows of trade and investment between Hong Kong and ASEAN. SCED added that the detailed

division of work among the three ETOs in the ASEAN region, namely the ETOs in Thailand, Jakarta and Singapore, would be worked out.

23. SCED added that the functions of the overseas ETOs had evolved over the years from Government-to-Government liaison and collaboration to engaging in more investment promotion activities. Looking forward, the overseas ETOs would make more efforts to attract talents, I&T enterprises and R&D institutions from overseas to Hong Kong.

#### *The Belt and Road Initiative*

24. Mr CHAN Chun-ying enquired about the division of work between CEDB and other public organizations such as HKTDC in the promotion of and participation in the Belt and Road Initiative.

25. SCED advised that as stated in paragraph 57 of the 2017 Policy Address, CEDB had been tasked to coordinate the work of the Hong Kong Special Administrative Region ("HKSAR") Government on the Belt and Road Initiative. CEDB assumed a steering and co-ordinating role within the HKSAR Government, and acted as the major contact point with the Central Authorities on Belt and Road-related matters. CEDB collaborated with CMAB to take forward the Belt and Road Initiative through the five offices in the Mainland under CMAB and the 12 overseas ETOs under CEDB. CEDB also collaborated with ITB as well as HKTDC on related matters. Moreover, CEDB was in discussion with the Central Authorities with the aim of entering into an agreement with the National Development and Reform Commission of Hong Kong's full participation in the Belt and Road Initiative by the end of 2017.

26. Noting that the Administration was looking into the possibility of establishing an information sharing platform on the Belt and Road Initiative with the Mainland's ministries, Mr CHAN Chun-ying enquired about the existing measures taken by the Administration to share information on the Belt and Road projects. SCED advised that HKTDC had set up a dedicated portal on the Belt and Road Initiative for sharing relevant information. In collaboration with HKTDC, CEDB would continue to jointly organize the annual Belt and Road Summit which served as a key platform to promote and foster Hong Kong as an international commerce and trading platform for the Belt and Road Initiative.

27. Noting the immense development opportunities presented by the Belt and Road Initiative, Mr WONG Ting-kwong enquired whether the Administration had, apart from Thailand, plans to set up new overseas ETOs in other countries along the Belt and Road region, and the additional manpower and resources required for the purpose.

28. SCED advised that apart from Thailand, the Administration was planning to set up a new ETO in South Korea, and exploring the feasibility of establishing additional ETOs in other countries/regions (including countries along the Belt and Road region), namely India, the Middle East, Russia, Africa and South America. With the shift of the global economic and trade developments to Asia and in order to capitalize on the opportunities brought by the Belt and Road Initiative, the Administration saw a strong need to set up new ETOs in India, the Middle East, Russia and Thailand. In addition, the Administration would seek the Panel's support for the staffing proposal for creation of directorate posts in the Belt and Road Office, and would brief the Panel on its focus and approach of work in pursuing the Belt and Road Initiative in Hong Kong by the end of 2017.

29. Mrs Regina IP said that the road map provided on the Belt and Road portal of HKTDC had not reflected the complete coverage of the Belt and Road Initiative. She said that it was unacceptable for the portal, which was considered to be an authoritative source of information on the Belt and Road Initiative, to disseminate such inaccurate information. Mrs IP said that the problem was referred to the management of HKTDC but no follow-up action had been taken so far.

30. SCED advised that he had looked at the road map and agreed that there was room for improvement in the presentation, and would discuss the matter with the HKTDC's management. Nevertheless, as the Belt and Road Initiative evolved, its coverage might encompass other territories as the projects developed.

#### *Development of the Guangdong-Hong Kong-Macao Bay Area*

31. Mr Holden CHOW enquired about the timetable for the establishment of the Guangdong-Hong Kong-Macao Bay Area Development Office ("Bay Area Development Office") under CMAB, and its future work plan on facilitating Hong Kong people to study, work, set up business and live in the Bay Area.

32. SCMA advised that CMAB would set up the Bay Area Development Office to co-ordinate with Central Government ministries and departments, the Governments of Guangdong Province and Macao Special Administrative Region, as well as relevant policy bureaux and departments within the HKSAR Government, and to actively communicate with chambers of commerce, professional bodies and relevant stakeholders for implementing the Development Plan for the Guangdong-Hong Kong-Macao Bay Area ("Development Plan"). The Bay Area Development Office would be led by the "Director of the Bay Area Development Office" who would be an officer at point 3 of the Directorate Pay Scale. The Administration aimed at seeking the Panel's support for the establishment proposal after the promulgation of the Development Plan, i.e. by the end of 2017 or early 2018.

33. SCMA added that as announced by President Xi Jinping in Hong Kong on 1 July 2017, the Central People's Government was actively considering concrete facilitation measures to make it more convenient for the people of Hong Kong to study, work and live in the Mainland. Accordingly, the Administration was actively liaising with the Guangdong authorities on such facilitation measures in relation to the Bay Area.

34. Mrs Regina IP said that with the implementation of the Development Plan, more and more Hong Kong people might be moving to or working in the Bay Area, thus creating a strong demand for ancillary facilities such as schools, hospitals and clinics, and elderly homes, etc. As such, the Administration should strive for the provision of such facilities to facilitate Hong Kong people's integration in the Bay Area. SCMA advised that the Administration had been looking into the related issues from the same perspective, and the relevant bureaux would be working closely towards the direction.

35. Mr Christopher CHEUNG hoped that the Steering Committee on Taking Forward Bay Area Development and Mainland Co-operation chaired by the Chief Secretary for Administration and the Bay Area Development Office to be set up under CMAB would formulate policies and measures to assist the financial services sector to leverage the opportunities arisen, and take forward the liberalization measures provided under CEPA, for example, by lowering the entry thresholds for the financial services sector to set up offices in the Bay Area.

36. SCMA advised that the Administration would liaise with stakeholders and work in collaboration with the Central Authorities to deepen the co-operation between the Mainland and Hong Kong in financial services provided under CEPA.

37. Mr Jeffrey LAM was of the view that the Development Plan would open up potential new areas of economic growth for Hong Kong. He hoped that the Administration would arrange a duty visit for members to the Bay Area. He also hoped that the Administration would further improve the various funding schemes for SMEs in order to help them leverage the opportunities arising from the Development Plan.

38. SCED advised that the Administration would continue to remove barriers and unnecessary restrictions so as to improve the business environment for the SMEs. SCMA said that the Administration stood ready to provide assistance for Members' visit to the Bay Area as necessary.

*Supporting Hong Kong enterprises to develop the Mainland market*

39. Mr CHUNG Kwok-pan suggested that in helping Hong Kong enterprises tap the Mainland market, HKTDC should open more physical outlets of its Design

Gallery shops in the Mainland in order to provide more platforms for Hong Kong enterprises to showcase products and build up stronger awareness of Hong Kong brands in the Mainland. SCED noted Mr CHUNG's suggestion.

40. Mr Charles Peter MOK opined that the Administration should assist Hong Kong enterprises to tap the Mainland market by capitalizing on Hong Kong's competitive advantage in areas such as I&T and professional services, and provide business matching services to Hong Kong enterprises.

41. SCMA advised that Hong Kong had set a goal to becoming an international I&T centre. To create the ecosystem for I&T and capture the opportunities brought about by the Development Plan, the various cities and regions in the Bay Area should work together by contributing their respective competitive advantages to create synergy. S for IT added that, leveraging its strength as an international city, Hong Kong could maintain its traditional advantages in sectors such as financial, trade and services, while bringing new charms to the Bay Area by making I&T a new driver of economic growth.

*Seeking to enter into trade arrangements and investment agreements with more overseas economies*

42. Mr CHUNG Kwok-pan opined that apart from developing trade relations with the emerging markets, the Administration should reinforce Hong Kong's trade links with its traditional trade partners such as the United States ("US") and the United Kingdom ("UK") to secure a better access for Hong Kong businesses to these markets. Mr CHUNG also suggested that the Administration should raise the amount of grant under the SME Export Marketing Fund, and allow more flexibility in the funding scheme by relaxing the current restriction that the last \$50,000 of grants had to be used for an enterprise's participation in export promotion activities which were not any of those funded by the first \$150,000 of the grants received by the enterprise. Mr Jimmy NG further suggested that the amount of grant under the SME Export Marketing Fund should be raised for export promotion activities and business missions relating to the Belt and Road Initiative, and that more capital should be injected into the Fund to further relax the eligibility criteria for the enterprises.

43. SCED noted members' suggestions and advised that Hong Kong and UK Governments had agreed to launch a Strategic Dialogue on Trade Partnership to examine the trade environment of both markets, and identify priority areas such as the creative industry, to strengthen mutual trade interests for future collaboration. As regards the forging of trade ties with the US, the Administration would continue to pursue the matter through its participation in the World Trade Organization ("WTO"). SCED added that in the 11th WTO Ministerial Conference to be held in Argentina in December 2017, Hong Kong would serve as

one of the vice chairs of the conference.

44. SCED supplemented that the Administration would continue to forge closer links with all its trading partners. Hong Kong would soon conclude FTA negotiations with Georgia and Maldives respectively, both of which were emerging markets with potential for further growth. Forging FTAs with these two economies had strategic value for Hong Kong, and these FTAs, once signed, would help expand Hong Kong's FTA network into the respective regions including Eurasia. SCED said that FTA negotiations with Australia was also ongoing.

45. Mr Jimmy NG said that as the Chairman of the Hong Kong-Taiwan Business Co-operation Committee, he suggested that more resources be provided for the Hong Kong-Taiwan Business Co-operation Committee to foster closer co-operation in trade, investment and tourism between Hong Kong and Taiwan. Mr NG was of the view that the Administration should consider publishing an official publication and producing official television commercials to promote Hong Kong in Taiwan and other overseas countries.

46. SCMA advised that the Administration would continue to pragmatically foster economic, trade and cultural exchanges and co-operation between Hong Kong and Taiwan. The annual "Hong Kong Week" would be an example of Hong Kong's cultural promotion in Taiwan. The Hong Kong Economic, Trade and Cultural Office in Taiwan would continue to keep its interlocutors and the Taiwan community in the general apprised of the latest development of Hong Kong.

#### *Updating the copyright regime*

47. Mr CHAN Chi-chuen and Mr MA Fung-kwok enquired whether the Administration had plans to introduce new legislative proposals for updating the copyright regime notwithstanding the past two attempts. Mr CHAN suggested that the Administration should adopt a step-by-step approach by first dealing with the less controversial issues such as safe harbour, before other more controversial issues such as contract override and user-generated content.

48. SCED said that the Government was always committed to enhancing the intellectual property regime of Hong Kong, and this commitment was reiterated by the Chief Executive in her 2017 Policy Address. Regarding the copyright regime, a meeting had been lined up between SCED and stakeholders from the copyright industry to discuss the related issues. Noting the controversial nature of the copyright-related issues as exemplified in the previous legislative amendment exercises, SCED said that it would be important for stakeholders to revisit their positions and explore possible common grounds. Otherwise, it would only be

futile for the Government to raise any legislative amendments. He stressed that the Administration would make its best endeavor to update the copyright regime, whenever possible, if a consensus could be reached in the society. For example, the Administration had conducted a consultation exercise on the copyright exceptions for people with a print disability under the "Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled", and aimed at briefing the Panel on the outcome of the consultation exercise and the proposed way forward in the first quarter of 2018.

*Other issues*

49. Dr Priscilla LEUNG was of the view that the Administration should nurture trust and people-to-people bonds with the Pan Pearl River Delta Region through enhancing co-operation on education, youth work and the implementation of measures to facilitate Hong Kong people to study, work and live in the region.

Admin 50. Dr CHIANG Lai-wan requested that the Administration provide supplementary information on the division of work between CEDB and ITB in relation to the various policy initiatives under the 2017 Policy Address, and on measures to facilitate the flow of capital between Hong Kong and other cities in the Guangdong-Hong Kong-Macao Bay Area.

Admin 51. The Chairman suggested that the Administration should review the division of work among the various overseas ETOs under CEDB, Mainland Offices under CMAB, Invest Hong Kong ("InvestHK") and the overseas offices of HKTDC, and draw reference from the Israeli Export Request Management System in formulating key performance indicators for the various offices responsible for trade and investment promotion. The Chairman requested the Administration to provide supplementary information on the updated policies and directions for the promotion of re-industrialization, particularly the promotion of the related midstream and downstream sectors, in addition to upstream R&D.

52. SCED noted the Chairman's suggestions and agreed that the work and functions of the overseas ETOs, InvestHK, HKTDC and the Hong Kong Tourism Board, could be better coordinated to enhance synergy in promoting Hong Kong. The overseas ETOs had been adopting different strategies in their work having regard to the political and economic situations of different regions, and would continue to foster government-to-government relationship and strengthen collaboration with organizations and the business sector in the host countries. In the year ahead, the Administration's external promotion work would focus on attracting talents and enterprises from overseas to Hong Kong, particularly those in the fields of I&T, R&D and creative industries, so as to explore more opportunities for Hong Kong enterprises. He also said that the Committee on Innovation,



Technology and Re-industrialization, chaired by the Financial Secretary, was responsible for co-ordinating I&T development and re-industrialization in Hong Kong through a higher-level and inter-bureau approach.

**IV. Any other business**

53. There being no other business, the meeting ended at 4:32 pm.

Council Business Division 1  
Legislative Council Secretariat  
14 December 2017