

**立法會**  
**Legislative Council**

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seen by the Administration)

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**Establishment Subcommittee of the Finance Committee**

**Minutes of the 6<sup>th</sup> meeting  
held in Conference Room 1 of Legislative Council Complex  
on Wednesday, 9 January 2019, at 8:30 am**

**Members present:**

Hon Mrs Regina IP LAU Suk-yee (Chairman)  
Hon Holden CHOW Ho-ding (Deputy Chairman)  
Hon James TO Kun-sun  
Hon WONG Ting-kwong, GBS, JP  
Hon WONG Kwok-kin, SBS, JP  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon CHAN Chi-chuen  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung, JP  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, BBS, JP  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, SBS, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon CHUNG Kwok-pan  
Hon Alvin YEUNG  
Hon CHU Hoi-dick  
Hon SHIU Ka-fai  
Hon SHIU Ka-chun  
Hon YUNG Hoi-yan  
Dr Hon Pierre CHAN  
Hon CHAN Chun-ying, JP

Hon Jeremy TAM Man-ho  
Hon AU Nok-hin  
Hon Vincent CHENG Wing-shun, MH  
Hon Tony TSE Wai-chuen, BBS

**Members absent:**

Hon Steven HO Chun-yin, BBS  
Hon HO Kai-ming

**Public Officers attending:**

Ms Carol YUEN Siu-wai, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1
Mr Brian LO Sai-hung, JP	Deputy Secretary for the Civil Service 1
Miss Emma LAU Yin-wah, JP	Judiciary Administrator
Mrs Erika HUI LAM Yin-ming, JP	Deputy Judiciary Administrator (Operations)
Miss Patricia SO Pui-sai, JP	Deputy Judiciary Administrator (Development)
Mrs Connie NGAN LAU Pui-lin	Assistant Judiciary Administrator (Corporate Services)
Miss Eliza LEE Man-ching, JP	Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism)
Ms Vivian SUM Fong-kwang, JP	Deputy Secretary for Commerce and Economic Development (Commerce and Industry)1
Miss Connie CHEUNG Suet-fan	Principal Executive Officer (Administration), Commerce, Industry and Tourism Branch, Commerce and Economic Development Bureau

**Clerk in attendance:**

Ms Connie SZETO	Chief Council Secretary (1)4
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**Staff in attendance:**

Miss Judy YEE	Council Secretary (1)1
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Ms Alice CHEUNG  
Miss Yannes HO  
Ms Haley CHEUNG

Senior Legislative Assistant (1)1  
Legislative Assistant (1)7  
Legislative Assistant (1)10

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Action

The Chairman drew members' attention to the information paper ECI(2018-19)13, which set out the latest changes in the directorate establishment approved since 2002 and the changes to the directorate establishment in relation to the six items on the agenda. She then reminded members that in accordance with Rule 83A of the Rules of Procedure ("RoP"), they should disclose the nature of any direct or indirect pecuniary interest relating to the item under discussion at the meeting before they spoke on the item. She also drew members' attention to RoP 84 on voting in case of direct pecuniary interest.

**EC(2018-19)18      Proposed creation of four permanent judicial posts of Deputy Registrar, High Court (JSPS 13) in the Judiciary to strengthen the judicial establishment at that level of court and one permanent civil service post of Principal Executive Officer (D1) to enhance support to the Deputy Judiciary Administrator (Operations)'s Office of the Operations Division of the Judiciary Administration (JA) with immediate effect upon approval by the Finance Committee ("FC"); and retention of one supernumerary civil service post of Administrative Officer Staff Grade C (D2) to continue providing support for the Development Office of the Development Division of the JA for three years from 27 November 2018 or with immediate effect upon approval by FC, whichever is the later**

2. The Chairman remarked that the staffing proposal was to create four permanent judicial posts of Deputy Registrar, High Court ("DR/HC") (JSPS 13) in the Judiciary to strengthen the judicial establishment at that level of court and one permanent civil service post of Principal Executive Officer ("PEO") (D1) to enhance support to the Deputy Judiciary Administrator (Operations) ("DJA(O)")'s Office of the Operations Division of the Judiciary Administration with immediate effect upon approval by the Finance Committee ("FC"); and retention of one supernumerary civil

Action

service post of Administrative Officer Staff Grade C ("AOSGC") (D2) to continue providing support for the Development Office of the Development Division of the Judiciary Administration for three years from 27 November 2018 or with immediate effect upon approval by FC, whichever was the later.

3. The Chairman pointed out that the Judiciary had consulted the Panel on Administration of Justice and Legal Services on the staffing proposal on 18 July 2018. At the Panel meeting, members expressed concerns about the prolonged time taken for the courts in handling cases and urged the Judiciary to expedite the handling of cases through creation of new posts and additional manpower. Some members suggested the Judiciary to put in place new measures to relieve the workload of judges. Some other members asked the Judiciary to consider if sufficient number of courts were available at the High Court for the new DR/HC to handle cases. The Judiciary had responded to the enquiries raised by members at the Panel meeting. The Panel supported the Judiciary Administration submitting the staffing proposal to the Establishment Subcommittee ("ESC") for consideration.

Workload of the courts and manpower arrangements of Judicial Officers

*Criteria for workload measurement and manpower arrangements*

4. Mr James TO said that while, according to the discussion paper, the workload of the Masters' Office of the High Court ("the Master's Office") had been increasing, relevant figures had not been provided for members' reference. He requested the Judiciary to set out the rate of increase of cases handled by the Master's Office in recent years, with breakdown by types of cases (e.g. 3-minute/15-minute hearings, cases handled by way of active case management etc.) as well as a quantitative analysis thereof, so as to illustrate the increase in workload of the Master's Office in order to facilitate members' consideration of this staffing proposal.

5. Judiciary Administrator ("JA") responded that as there had been an increase in both the number and complexity of the cases handled by the courts (including the Master's Office), quantitative analysis could hardly reflect the workload of the courts and whether their manpower position was adequate. In addition to handling different types of hearings, DRs were also responsible for an expanded area of work arising from the implementation of new Practice Directions in recent years. In this regard, additional judicial manpower had been deployed and engaged to sit as Temporary DRs to help process civil and criminal appeals and criminal

Action

listing etc. The total number of Judges and Judicial Officers ("JJOs"), both substantive and temporary, deployed to sit in the Master's Office had increased over the past few years from 11 in April 2013 to 16 since April 2017. She added that while information pertaining to quantitative analysis was unavailable, the overall number of cases heard by the Master's Office was available at the Judiciary's information system, although the system did not include detailed statistics about short trials and clerical work of the courts. She undertook to provide supplementary information prior to FC's discussion on this staffing proposal as far as practicable in response to the request of Mr James TO.

*(Post-meeting note: The supplementary information provided by the Judiciary was circulated to members vide LC Paper No. ESC53/18-19(01) on 22 January 2019.)*

6. Dr LO Wai-kwok said that he supported this staffing proposal in principle. He enquired about the division of work between different levels of court, the criteria adopted by the Judiciary for evaluation of the performance of JJOs, as well as how a balance could be reached between maintaining the independence of the Judiciary and improving the efficiency in handling cases.

7. The Chairman acknowledged the importance of judicial independency for the Judiciary when making decisions on cases. However, as the operation of courts was supported by public monies, the Judiciary had the responsibility to give an account to the Legislative Council ("LegCo") on the use of resources and work efficiency. She added that the creation of the JA post and other administrative posts in the Judiciary before the Handover aimed at improving the efficiency of the Judiciary in handling cases.

8. JA replied that the Chief Justice of the Court of Final Appeal and Court Leaders of the respective courts were responsible for scheduling and distribution of work among JJOs. Court Leaders would assign tasks to JJOs, follow up on their progress and evaluate their performance in accordance with the mechanism. Court Leaders would make adjustments as appropriate after taking into account the schedule of judges, the trials listed and the progress, with a view to striking a balance in the workload of each judge.

Action

*Workload of the District Court in future*

9. Mr Alvin YEUNG noted that since the implementation of the adjustment of the civil jurisdictional limit of the District Court ("the DC") ("the new civil jurisdictional limit") in 2018, some of the civil cases had been transferred from the High Court ("the HC") to the DC, bringing to an increased workload at the DC. He asked for justifications for the creation of the permanent DR/HC posts instead of enhancing the establishment of Judicial Officers at the DC.

10. Mr AU Nok-hin expressed similar concerns and requested the Judiciary to provide information on: (1) the average number of civil cases handled respectively by the HC and by the DC before the implementation of the new civil jurisdictional limit; (2) the number of civil cases transferred from the HC to the DC or handled directly by the DC after the implementation of the new civil jurisdictional limit; and (3) the expected number of civil cases to be handled by the two levels of court in future, to facilitate members' understanding of the increased workload at the HC and the DC.

11. JA gave a summarized reply that the new civil jurisdictional limit passed by LegCo in 2018 increased the general financial limit of the civil jurisdiction of the DC from \$1 million to \$3 million. Initially, the Judiciary considered it necessary to continue deploying five additional JJOs to the Master's Office. However, after taking into account the effect of the implementation of the new civil jurisdictional limit (it was estimated that around 10% of the interlocutory proceedings commenced in the HC would be diverted to the DC), the Judiciary was of the view that the judicial manpower requirement of the Master's Office would be reduced. As a result, the creation of four DR/HC posts on a permanent basis was proposed instead to rationalize the manpower situation of the Master's Office. She undertook to provide the supplementary information Mr AU Nok-hin requested before FC deliberated on this staffing proposal.

*(Post-meeting note: The supplementary information provided by the Judiciary was circulated to members vide LC Paper No. ESC53/18-19(01) on 22 January 2019.)*

*Manpower position of judges*

12. The Chairman noted the review conducted by the Judiciary on the remuneration and conditions of service of judges in light of the difficulty in recruiting judges in recent years. Considering that the staffing proposal

Action

for the creation of four DR/HC posts, she asked if the Judiciary envisaged any difficulties in recruiting candidates for the posts.

13. JA said that the Judiciary conducted open recruitment for judges in a timely manner to enhance the manpower position of substantive judges. The Judiciary commenced a new round of open recruitment exercise for judges in mid-2018 (the recruitment exercise for Judges of the Court of First Instance of the High Court was underway, while the recruitment exercise of District Judges ("DJs") had commenced in end of 2018). If this staffing proposal was passed, more vacancies would be offered for employment of more staff in the aforesaid recruitment exercises.

Duties and entry qualification of Deputy Registrar in High Court

14. Mr CHAN Chi-chuen enquired about the details of taxing of bill of costs from the solicitors and litigants and whether the duties of DR/HC included recovering overdue payment of litigation costs from litigants.

15. JA advised that post-trial handling of taxation applications (i.e. dealing with disputes between parties to a litigation on litigation costs or other relevant issues) was one of the duties of DR/HC. However, parties to a litigation might not have any disputes on most of the issues relating to costs, or they would settle those issues through negotiations. As such, it was not necessary for DR/HC to handle all litigation costs issues. Regarding the recovery of overdue payment of litigation costs, she said she was not responding to the question as that was not within the ambit of the Judiciary.

16. Dr KWOK Ka-ki said he supported this staffing proposal in principle. Noting that most of the duties of the proposed DR/HC posts were administrative work in judicial proceedings, he asked whether consideration had been given to filling the posts with candidates from the administrative grades with a view to alleviating the problem of shortage of judges in recent years.

17. The Chairman invited the Judiciary to elucidate on the professional qualification required and the main duties of DR/HC. She also asked how creation of the proposed permanent DR/HC posts could enhance the efficiency of the Master's Office in handling cases.

18. JA remarked that DR/HC were judicial officers; their entry requirements (including professional and other qualifications) and ranks were identical to those of DJs and the post could not be taken up by staff

Action

from administrative grades. Open recruitment exercises for DJs would specify that appointees could be deployed to the Master's Office. While additional manpower were provided for DR/HC posts, additional supporting staff would be recruited accordingly to assist DR/HC in discharging their duties with a view to enhancing the efficiency in handling cases.

Proposed creation and retention of civil servant posts

*Need of creating the permanent post of Principal Executive Officer and its duties*

19. Mr CHAN Chi-chuen noted the creation of a supernumerary PEO post in 2017 on a temporary basis by the Judiciary under delegated authority to urgently provide directorate and strategic support to DJA(O). He enquired about the details of creating a post under the delegated authority and whether the supernumerary posts so created were time-limited.

20. JA remarked that, with the use of delegated authority, the Judiciary had been creating posts to cope with manpower demands by holding against posts that had been frozen within the Judiciary. The establishment of the Judiciary comprised a total of nine Principal Magistrate; given that one Principal Magistrate had been deployed to each of the seven Magistrates' Courts, seven Principal Magistrate posts had been filled, and the remaining two vacant posts for Principal Magistrate had been frozen on a temporary basis. With the consent of the Chief Justice, a supernumerary PEO post was created in 2017 under delegated authority by holding against a vacant post at the Principal Magistrate rank on a temporary basis to provide temporary support to DJA(O). With this arrangement, the urgent needs of the Judiciary during the transitional period could be taken care of without affecting the judicial manpower position. She said that the Judiciary anticipated a continuous need for implementation of various projects and initiatives in the pipeline. As such, a suggestion had been made for making permanent the supernumerary PEO post and reserving a temporarily frozen Principal Magistrate post for addressing the needs that might arise from an expected increase in the number of cases in the West Kowloon Magistrates' Courts.

21. Dr KWOK Ka-ki noted the need of the proposed permanent PEO post to support two ongoing mega court building projects i.e. relocating the HC and the DC. Considering the time-limited nature of the two projects, he asked why consideration had not been given for creation of a



Action

supernumerary post.

22. JA responded that, in addition to steering and overseeing the two projects of relocating the HC and the DC, the proposed permanent PEO post would need to handle other day-to-day issues to ensure smooth operation of the courts. Therefore, the Judiciary suggested creating a permanent post to cope with such work.

*Duties of the supernumerary Administrative Officer Staff Grade C post proposed to be retained*

23. Mr Holden CHOW expressed support for this staffing proposal for handling the growing workload of the Judiciary. He noted that the supernumerary AOSGC post proposed to be retained would be responsible for coordinating the legislative work of the family procedure rules. He enquired about the work plan in place for the post upon completion of the aforesaid task.

24. JA responded that the post-holder would continue to contribute to the Judiciary's daily operation, such as undertaking coordination work for overseas exchange activities of Judicial Officers. The Judiciary anticipated an increasing workload at the Development Division (to which the supernumerary AOSGC post (i.e. DJA (Dev)2) proposed to be retained belonged). The Judiciary was planning and reviewing its long-term manpower arrangement and a long-term arrangement for the proposed post would be submitted to the relevant Panel for consideration in due course.

Progress of the review on family procedure rules

25. Mr AU Nok-hin and Mr Holden CHOW enquired about the legislative work progress and legislative timetable of the review on family procedure rules.

26. JA responded that the Chief Justice had accepted in 2015 the Final Report on the Review of Family Procedure Rules submitted by the Working Party on Family Procedure Rules and the recommendations of the Report. The Judiciary was currently taking forward the necessary legislative work for the implementation of the aforesaid recommendations, which comprised the enactment of a new Ordinance providing the necessary legislative framework for the making of the self-contained family procedure rules, and amending many other pieces of existing legislation, subsidiary legislation and relevant Practice Directions in the light of the reforms.

Action

27. JA added that with reference from the experience of similar reform in Britain, the Judiciary estimated that the necessary legislative exercise would take six years to complete. Over the past three years, the Judiciary had consulted the JJOs at the HC and the Family Court as well as other stakeholders to iron out the legal, policy and operational issues identified during the drafting process of the legislative provisions and the Practice Directions concerned. Good progress had been made on relevant work. The Judiciary envisaged that it would handle the legislation-related tasks in the next three years, including consulting relevant stakeholders on the legislative amendments and conducting an analysis on the views collected during the consultation exercise. The Judiciary would then consult relevant Panels in LegCo on the bill, rules and Practice Directions and submit the relevant bill to LegCo for scrutiny.

Enhance the efficiency of the courts in handling cases

28. Mr AU Nok-hin asked how this staffing proposal could improve the unduly long waiting time of trials at the HC upon passage. Dr KWOK Ka-ki raised similar concerns.

29. JA remarked that the indicators of overall waiting time for litigations were set out in the Judiciary Annual Report and the Controlling Officer's Report of the Budget for public reference. The Judiciary was working on the time needed for listing of cases at the HC in 2018, and details would be set out in the Controlling Officer's Report of the upcoming Budget. She added that as the proposed DJA post would be created on a permanent instead of a temporary basis, the Judiciary anticipated that the staffing proposal could enhance the regular staff establishment for civil proceedings at the HC and shorten the listing time. She stressed that the actual manpower enhancement was dependent on whether or not suitable judges could be recruited in the future.

30. Mr AU Nok-hin noted that new Practice Directions were implemented in 2017 to take forward the Criminal Expedited List to enhance the criminal proceedings and case management functions of the HC. The Judiciary later stated in the Controlling Officer's Report of the 2018 Budget that the way to measure the average waiting time of the Criminal Expedited List and the setting of relevant target were being considered in the light of the operation of the new measure. He asked about the details and progress of implementing the Criminal Expedited List and the setting of listing time targets.

Action

31. JA remarked that the Judiciary was collecting information for the implementation of the Criminal Expedited List. Currently, there were not many cases on the list. As such, the Judiciary opined that it should prudently accumulate relevant experience and consult the legal sector as well as court users before setting the listing time targets. It was expected that targeted listing time for cases could be set by next year.

Enhance the provision of public information on legal proceedings

32. Dr KWOK Ka-ki remarked that many Government departments had enhanced the dissemination of information to increase the transparency of their operation. He requested the Judiciary to provide information on measures for increasing the transparency of case handling procedures, including enhancing the dissemination of listing information, to help citizens without legal representation to better understand how their cases were being handled.

33. Mr AU Nok-hin also requested the Judiciary to provide the number of complaints against judges at all levels of court received by the Judiciary in recent years, the matters involved, and the outcome of the processing of the complaints.

34. Mr WU Chi-wai asked whether any support regarding the judicial process was in place for unrepresented litigants at present, including helping litigants fill out relevant forms.

35. Regarding enhancing the dissemination of information and provision of support to litigants, JA responded that for represented litigants, legal representatives would explain matters relating to the case to them. Unrepresented litigants could enquire about case-related information through written or online methods using the case number issued after the commencement of judicial process. Members of the public could also obtain general information through phone enquiries. She stressed that as the courts handled various types of cases involving different judicial processes, the time needed for listing a case varied depending on different factors, for instance, whether any agreements could be reached between the court and the parties to a litigation on the arrangement for listing a case. In replying to litigants' enquires, responsible officers of the Judiciary would seek directions from judges in accordance with relevant ordinances and mechanisms. On the other hand, the Judiciary would develop the Integrated Court Case Management System for all levels of court and tribunals with a view to providing convenience for litigants to make enquiries about their cases through electronic methods. The establishment

Action

of such system involved process re-engineering, streamlining, standardising court operations and legislative amendments. The Judiciary was closely monitoring the development progress. She undertook to provide the supplementary information requested by Dr KWOK Ka-ki and Mr AU Nok-hin before FC deliberated on this staffing proposal.

*(Post-meeting note: The supplementary information provided by the Judiciary was circulated to members vide LC Paper No. ESC53/18-19(01) on 22 January 2019.)*

36. JA stressed that, to maintain independence and neutrality, the Judiciary would not offer legal advice to litigants or provide support regarding court proceedings such as filling out of forms. The Judiciary would only provide assistance on matters relating to general procedures. The HC had set up the Resource Centre for Unrepresented Litigants whose staff would provide general enquiry services regarding the rules of the HC and the DC, forms to be filled out and relevant procedures. As parties to a litigation could not be represented by legal representatives in the proceedings of the Small Claims Tribunal, the tribunal had also set up an information centre to provide enquiry and information services. She added that some Government bureaux or departments also provided legal advisory services and support for members of the public not represented by any legal representatives, and DC had set up special resource centres to help those who were unrepresented.

37. Mr WU Chi-wai pointed out that judgments handed down by judges contained information such as the background of the case and the reasons of the court's decision etc. which could help members of the public to better understand the decisions of the court. For instance, judgment from the Lands Tribunal could help members of the public to better understand legislation relating to property management. He opined that judgment handed down by judges should be uploaded to the Judiciary's website and enquired whether the Judiciary would consider enhancing the publication of judgment if approval was given to this staffing proposal.

38. JA remarked that the proposed creation of the DJA post was to cope with the increasing workload of the Master's Office, which was not directly related to enhancing the publication of judgment. At present, judgment from the courts at the DC level (including the Lands Tribunal) or above would be uploaded to the website of the Judiciary for public access. Generally, judges would provide written judgment for proceedings involving substantive legal disputes in order to elaborate on the reasons for the court's decision. Generally speaking, judges would not hand down

Action

written judgment for short proceedings, such as interlocutory proceedings for handling simple procedures.

Two mega court building projects

39. Mr CHU Hoi-dick enquired about the planning of the Judiciary in relation to the two mega projects for relocation of the HC and the DC, and whether it would hold a public engagement exercise to collect public views in order to ensure that the projects could address the long-term operational needs of all internal and external users.

40. JA replied that court buildings would be planned in such a way that they could cope with the long-term needs of internal users (including JJOs and the Judiciary staff) and external users (including law professionals, relevant law enforcement officers and the media). In this regard, the Judiciary had set up various Court Users' Committees comprising users of different courts and non-legal professionals to collect their views through consultation and exchanges. Furthermore, by arranging the public to observe court proceedings, the Judiciary officers could accumulate experience to improve arrangements for public observation of court proceedings in the new court buildings. Members of the public could also reflect court users' opinions to the Judiciary via various channels (e.g. email).

Voting on the item

41. There being no further questions from members, the Chairman put the item to vote. She was of the view that the majority of the members voting were in favour of the item. She declared that members of the Subcommittee agreed to recommend the item to FC for approval. No members requested that the item be voted on separately at the relevant FC meeting.

**EC(2018-19)21**

**Proposed creation of three permanent posts of one Administrative Officer Staff Grade C ("AOSGC") (D2) in the new Hong Kong Economic and Trade Office ("ETO") in Bangkok with immediate effect upon approval of the Finance Committee ("FC") to head the new Bangkok ETO, one Administrative Officer Staff Grade B ("AOSGB") (D3) in the new ETO in Dubai with effect from 1 April 2019, or with**

Action

**immediate effect upon approval of the FC, whichever is the later to head the new Dubai ETO and one AOSGC (D2) in the new ETO Policy Division of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau with immediate effect upon approval of the FC to head the new ETO Policy Division**

42. The Chairman remarked that this staffing proposal was to create three permanent posts of one AOSGC (D2) in the new Hong Kong Economic and Trade Office ("ETO") in Bangkok with immediate effect upon approval of FC to head the new Bangkok ETO, one Administrative Officer Staff Grade B ("AOSGB") (D3) in the new Hong Kong ETO in Dubai with effect from 1 April 2019, or with immediate effect upon approval of FC, whichever is the later, to head the new Dubai ETO and one AOSGC (D2) in the new ETO Policy Division of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau ("CEDB") with immediate effect upon approval of FC to head the new ETO Policy Division.

43. The Chairman pointed out that LegCo's Panel on Commerce and Industry had discussed this staffing proposal at its meeting held on 17 July 2018. The Panel supported this staffing proposal in principle. Given the geographical locations of the new ETOs, which were primarily in Asian cities, members were concerned whether the direction of the Administration's strategy in promoting trade relations would be re-focused on Asia. Members were also concerned about the role of the new ETOs and the ETO Policy Division in mitigating the impact caused by the trade conflict between China and the US. Members suggested that the Administration should expand Hong Kong's overseas trade and market network and reduce trade barriers as well as making use of Hong Kong's separate membership under the World Trade Organization ("WTO") to avoid over-dependence on a single market. Members also urged the Administration to support Hong Kong enterprises with production lines based in the Mainland to tide over the trade conflict.

Effective date of the proposed Economic and Trade Office director posts

44. Mr CHAN Chun-ying noted that discussion was still underway between the Administration and the United Arab Emirates ("UAE") Government on the establishment of the Dubai ETO. He enquired whether the Administration would consider amending the effective date of

Action

the proposed permanent AOSGB post in the Dubai ETO to conclusion of the discussion with UAE instead of 1 April 2019 or upon approval of FC (whichever was the later) as proposed in the paper to ensure timely creation of the proposed post to head the Dubai ETO.

45. In response, Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) ("PS(CIT)") said that discussion on the establishment of the Bangkok ETO between the Administration and the Thai Government had been concluded, and relevant internal procedures of the Thai Government had come to a final stage. Furthermore, preparatory work for site selection and commencement of the ETO office had by and large completed. The Administration envisaged that the Bangkok ETO could commence operation in the first quarter of 2019. As regards the Dubai ETO, discussion between the Administration and the UAE Government, including arrangement for according privileges and immunities ("Ps and Is") to ETO and its staff by the UAE Government, had made good progress and it was expected the discussion would conclude before 1 April 2019. Upon conclusion of the discussion, CEDB would immediately proceed with site selection and preparatory work for the commencement of the ETO. Therefore, the proposal of the Administration to create the proposed ETO director post in Dubai with effect from 1 April 2019, or with immediate effect upon approval of FC, whichever was the later, was to ensure sufficient manpower for the preparatory work with a view to commencing the operation of the Dubai ETO as soon as possible.

Manpower establishment and expenditure of the two Economic and Trade Offices

46. Mr CHAN Chun-ying enquired about the one-off cost for the set-up of the Bangkok and Dubai ETOs, the recurring expenditure and manpower establishment and whether the Administration would adjust the expenditure of the two ETOs based on the living standard index of the respective countries.

47. In response, PS(CIT) said that the Bangkok and Dubai ETOs were similar in scale, and the respective recurring expenditure per annum (including staff costs) was around \$29 million while their respective one-off cost was estimated to be less than \$10 million. The actual expenditure could only be ascertained subsequent to site selection and renovation of the ETOs. Regarding manpower establishment, the Administration planned to deploy five Hong Kong-based officers (i.e. one directorate officer and four non-directorate officers) and employ 12

Action

locally-engaged staff members for the two new ETOs.

48. The Chairman asked why the two directorate permanent posts proposed to be created to head the two ETOs were of different ranks, i.e. one AOSGC post to head the Bangkok ETO and one AOSGB post to head the Dubai ETO.

49. PS(CIT) explained that consideration had been given to various factors when pitching the ranks of the two ETO heads including the geographical coverage of the ETOs, the duties and ranks of the existing ETO heads as well as the ranks of the staff responsible for day-to-day official liaison with the new ETOs. She pointed out that at present, Hong Kong had two ETOs in the member states of the Association of Southeast Asian Nations ("ASEAN"), namely the Jakarta ETO and the Singapore ETO. The Jakarta ETO was responsible for the bilateral ties among Hong Kong and Indonesia, Malaysia, Brunei Darussalam and the Philippines as well as matters between Hong Kong and ASEAN as a whole, as well as maintaining close liaison with the ASEAN Secretariat in Jakarta. This being the case, the head of the Jakarta ETO was pitched at the AOSGB rank. Meanwhile, the Singapore ETO was responsible for the bilateral ties among Hong Kong and six ASEAN countries. The head of the office was pitched at the AOSGC rank. The new Bangkok ETO, once set up, would take over the bilateral relations with three ASEAN countries, namely Thailand, Cambodia and Myanmar, from the Singapore ETO. It would also be responsible for the bilateral tie between Hong Kong and Bangladesh. To ensure consistent alignment of the overall strategies among all member states of ASEAN, the Director of the Bangkok ETO, as with the Director of the Singapore ETO, would report to the Director-General of the Jakarta ETO.

50. PS(CIT) added that for the Dubai ETO, the member states of the Gulf Cooperation Council ("GCC"), namely the UAE, Bahrain, Kuwait, Oman, Qatar and Saudi Arabia, to be put under its purview were not covered by existing ETOs. The Dubai ETO would mainly focus its efforts on contact-making and audience-building work with the political and business sectors in the Middle East region. Having regard to the scope and complexity of the responsibilities involved, the Administration considered it necessary to pitch the head of the Dubai ETO at a more senior rank level, so as to ensure that the post-holder could directly liaise with the local senior government officials and the commercial sector. As a result, the Administration suggested pitching the head of the Dubai ETO at the AOSGB level.



Action

51. The Chairman asked how the Administration could ensure that Administrative Officers heading the ETOs could acquaint themselves with the language and the cultural background of the respective countries they were deployed to. Mr AU Nok-hin noted that some countries required training be provided to principal officials to help them familiarize with the local language and culture before their overseas deployment. However, he noted that some principal ETO officials were not familiar with the language of the countries they were deployed to.

52. PS(CIT) said that when selecting prospective officers to ETOs, knowledge of the relevant local language would be taken into consideration. Briefing sessions would also be organized by the Civil Service Bureau for staff with interest in ETO posts to help them understand the background of the countries where ETOs were set up; allowances were provided for civil servants to attend overseas language courses in Hong Kong. Allowances were provided to officers working in overseas countries for them to learn the local language during their posting with a view to assisting them in handling their daily work. For example, officers at the Geneva ETO and the Brussels ETO could take up French courses.

The role of Economic and Trade Offices in promoting the development of Hong Kong's external trade

*Hong Kong's strategies for development of external trade*

53. Mr WU Chi-wai said that other economic entities would set up official bodies in overseas countries whose functions were similar to those of ETOs to attract external investments and develop overseas markets as part of their overall trade policy and strategy. He enquired about Hong Kong's existing overall trade strategy and opined that consideration should be given to consolidating the distribution of ETOs in light of the current global economic situations. For example, consideration could be given to consolidating the four existing ETOs in North America (i.e., the New York, San Francisco, Toronto and Washington ETOs) for re-allocation of resources and setting up new ETOs in the emerging markets to develop new overseas markets and business opportunities for Hong Kong.

54. The Chairman pointed out that while the Hong Kong Trade Development Council ("HKTDC") had more than 50 offices around the world, only 12 overseas ETOs had been set up by the Administration. She supported establishing new ETOs to further facilitate the development of Hong Kong's external trade. The Chairman opined that the Administration should formulate overall trade policy and strategy to be

Action

taken forward by different ETOs, including the two new ETOs. She also requested the Administration to provide supplementary information on the ETOs in various regions, including the new Bangkok and Dubai ETOs, setting out the Ps and Is given to the ETOs and Hong Kong-based officers by the respective local governments.

55. In a consolidated response, PS(CIT) remarked that the first ETO was established in 1946 and the existing 12 ETOs had almost covered 20 major trading partners of Hong Kong. As these trading partners were crucial for the economic development of Hong Kong, the Administration had found it necessary to retain the existing ETOs. Over the past 10 years, the Administration created two new ETOs, namely the Berlin ETO in 2009 and the Jakarta ETO in 2016 and was proactively exploring the business opportunities of emerging economies and the potentials for developing bilateral economic and trade relations with such economic entities. The current-term Government had identified five cities in the emerging markets for setting up new ETOs, namely India, Korea, Russia, Thailand and the UAE. The Administration would continue to monitor closely the development of different economic entities, including the development of the trade relations between China and the US and explore development opportunities in other emerging markets. At the request of the Chairman, the Administration would provide supplementary information on the Ps and Is given by the Thai Government and the UAE Government to the Bangkok and Dubai ETOs respectively.

*(Post-meeting note: The supplementary information provided by the Administration was circulated to members vide LC Paper No. ESC54/18-19(01) on 22 January 2019.)*

56. Dr KWOK Ka-ki asked how the Government prioritized the setting up of new ETOs. He asked why priority was not given to setting up ETOs in India or Vietnam, given the huge potentials of these two emerging markets.

57. In response, PS(CIT) said that the Government had identified five cities to set up new ETOs, namely Moscow, Mumbai and Seoul, in addition to Bangkok and Dubai. Discussions with the respective governments were underway concurrently with different progress. The discussion with the Thai Government had concluded while that with the UAE Government was making good progress. As such, LegCo's approval was being sought for creating the posts to head the Bangkok and Dubai ETOs while proactive discussion continued with the relevant countries with a view to reaching an agreement on setting up the remaining three ETOs as soon as possible.

Action

*Efforts on promoting the external trade of Hong Kong*

58. Mr Holden CHOW supported this staffing proposal as he found the setting up of ETOs in Bangkok and Dubai which covered the emerging markets in ASEAN countries and the Middle East countries respectively fully justifiable. Mr CHOW remarked that the previous-term Government had already ascertained the need to enhance the ties between Hong Kong and the Middle East countries, particularly on the development in Islamic finances. He asked why it took so long for the Administration to come up with the decision for setting up an ETO in Dubai.

59. PS(CIT) reiterated that the Administration had only established two ETOs (i.e. the Berlin ETO and the Jakarta ETO) over the past 10 years. The current-term Government had proactively sought to set up ETOs in emerging markets with good potentials with a view to exploring commercial and trade opportunities for Hong Kong. Given the efforts of the Middle East countries, which were regions of importance along the "Belt and Road", in diversifying their economies in recent years, coupled with the huge potentials for investment from countries in the regions, in particular from member states of GCC (including fintech, transportation, logistics, advanced manufacturing industries and Islamic finance), the Administration had decided to set up an ETO in Dubai to expand Hong Kong's network in the Middle East and raise the profile of Hong Kong within the region.

60. Mr YIU Si-wing said that as the ETOs in Bangkok and Dubai covered two emerging markets (i.e., the ASEAN and the Middle East countries), and the Hong Kong Tourism Board ("HKTb") merely had local representatives deployed in the regions, he believed that the Administration should consider promoting Hong Kong's tourism industry in those regions via the two new ETOs and seek to simplify the arrangement for granting visit visa between Hong Kong and those regions, with a view to attracting more tourists to Hong Kong and diversifying its visitor profile.

61. PS(CIT) remarked that ETOs were the official representatives of the Hong Kong Special Administration Region Government in countries under their respective coverage entrusted with the responsibility to handle bilateral economic issues, investment and cultural exchanges between Hong Kong and the countries under their purviews. ETOs would also promote Hong Kong's distinctive status under "One Country, Two Systems" and its competitive edges. In addition to promotion of trade, ETOs would support and facilitate different bureaux/statutory bodies to

Action

promote Hong Kong's pillar industries and projects (e.g. Hong Kong's tourism industry, arbitration services and innovation and technology development) in the countries under their purviews. She recognized that HKTb attached great importance to the ASEAN markets and planned to promote Hong Kong's tourism industry in ASEAN's member states. The Administration anticipated that the establishment of the Bangkok and Dubai ETOs would foster cooperation between ETOs and HKTb and the ASEAN and the Middle East regions.

*Effectiveness of Economic and Trade Office's promotional efforts*

62. Mr WU Chi-wai and Dr KWOK Ka-ki urged the Administration to employ a set of standardized indicators for evaluating the effectiveness of the ETOs (including the two new ETOs) to facilitate the conduct of value-for-money analysis by LegCo Members on the ETOs in the future.

63. In response, PS (CIT) said that indicators were in place for measuring the performance of the ETOs. Such indicators were set out in the Controlling Officers' Report of the Budget every year, covering areas of work such as external trade relations, public relations and investment promotion. Those indicators were also applicable to the new Bangkok and Dubai ETOs.

*(At 10:26 am, the Chairman asked if members agreed to extend the meeting by five minutes for Mr AU Nok-hin to raise his question. No members raised objection.)*

64. Mr AU Nok-hin had reservations on whether the indicators set out by the Administration could reflect the performance of the ETOs. He was concerned about how well the London ETO had performed in promoting Hong Kong's external trade, as LegCo members visiting the UK Parliament earlier on had found out that UK's Members of the Parliament had little knowledge of the business incentives offered by Hong Kong. Furthermore, he criticized the Washington ETO for failing to respond in a timely manner to the strained trade relations between China and the US and to mitigate the impact of China-US trade disputes on Hong Kong.

65. PS (CIT) pointed out that in addition to setting out a series of indicators for measuring the ETOs' performance in the three areas mentioned above, the Administration also highlighted the major work of the ETOs in the year in the Controlling Officer's Report so that Members could better understand the work of the ETOs.

Action

66. The Chairman remarked that as some members were still waiting for their turn to ask questions, the Subcommittee would continue the discussion on this item at the meeting on 23 January 2019.

66. There being no other business, the meeting ended at 10:32 am.

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