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Replies to initial written questions raised by Finance Committee Members in examining the Estimates of Expenditure 2019-20

Director of Bureau : Secretary for Commerce and Economic Development

Session No. : 11

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CEDB(CIT)265	4733	CHAN Chi-chuen	168	(3) Time Standard and Geophysical Services
CEDB(CIT)266	5197	CHAN Chi-chuen	168	(1) Weather Services
CEDB(CIT)267	5198	CHAN Chi-chuen	168	(1) Weather Services
CEDB(CIT)268	4321	CHAN Tanya	168	(1) Weather Services
CEDB(CIT)269	4323	CHAN Tanya	168	(3) Time Standard and Geophysical Services
CEDB(CIT)270	4341	CHAN Tanya	168	(-) -
CEDB(CIT)271	6304	CHAN Tanya	168	(1) Weather Services
CEDB(CIT)272	3081	CHU Hoi-dick	168	(3) Time Standard and Geophysical Services
CEDB(CIT)273	4527	FAN Kwok-wai, Gary	168	(1) Weather Services
CEDB(CIT)274	4529	FAN Kwok-wai, Gary	168	(3) Time Standard and Geophysical Services
CEDB(CIT)275	1180	HO Chun-yin, Steven	168	(1) Weather Services
CEDB(CIT)276	2730	HUI Chi-fung	168	(1) Weather Services
CEDB(CIT)277	4909	IP Kin-yuen	168	(-) -
CEDB(CIT)278	0768	LAU Ip-keung, Kenneth	168	(1) Weather Services
CEDB(CIT)279	1981	LIAO Cheung-kong, Martin	168	(1) Weather Services
CEDB(CIT)280	1982	LIAO Cheung-kong, Martin	168	(1) Weather Services
CEDB(CIT)281	4108	YEUNG Alvin	168	(1) Weather Services
CEDB(CIT)282	0444	CHAN Chun-ying	181	(3) Support for Small and Medium Enterprises and Industries

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
CEDB(CIT)283	0445	CHAN Chun-ying	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)284	2929	CHAN Tanya	181	(2) Trade Support and Facilitation
CEDB(CIT)285	6013	CHAN Tanya	181	(-) -
CEDB(CIT)286	0007	CHUNG Kwok-pan	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)287	0015	CHUNG Kwok-pan	181	(1) Commercial Relations
CEDB(CIT)288	0016	CHUNG Kwok-pan	181	(2) Trade Support and Facilitation
CEDB(CIT)289	0018	CHUNG Kwok-pan	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)290	0349	CHUNG Kwok-pan	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)291	4806	KWOK Wing-hang, Dennis	181	(1) Commercial Relations
CEDB(CIT)292	4807	KWOK Wing-hang, Dennis	181	(1) Commercial Relations
CEDB(CIT)293	4808	KWOK Wing-hang, Dennis	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)294	4809	KWOK Wing-hang, Dennis	181	(2) Trade Support and Facilitation
CEDB(CIT)295	1969	LIAO Cheung-kong, Martin	181	(3) Support for Small and Medium Enterprises and Industries
CEDB(CIT)296	1076	LO Wai-kwok	181	(1) Commercial Relations

CONTROLLING OFFICER'S REPLY

CEDB(CIT)001

(Question Serial No. 1215)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2017 and 2018, the Hong Kong Tourism Board (HKTB) organised the e-Sports and Music Festivals Hong Kong. In 2017, HKTB has spent an amount of \$35 million on the event. Please tabulate the following information about the two Festivals held:

- (i) the contractors and their successful bid prices;
- (ii) total expenditures on the events;
- (iii) total numbers of tickets sold and the admission revenues;
- (iv) the numbers of free tickets distributed;
- (v) total daily attendances during the events;
- (vi) total numbers of online viewers (deducting viewers of Mainland website(s) rebroadcasting the events)

Asked by: Hon AU Nok-hin (LegCo internal reference no.: 15)

Reply:

To attract young visitors and strengthen Hong Kong's position as Asia's event capital, the Hong Kong Tourism Board organised a brand new mega event "e-Sports & Music Festival Hong Kong" for the first time in 2017 and again in 2018. The information of the "e-Sports & Music Festival Hong Kong" in the past two years is as follows:

	2017	2018
Contractor	168 Production & Engineering Services Limited	Cyber Games Arena Limited

	2017	2018
Successful bid price	As commercial details are involved, the prices would not be disclosed.	
Total expenditure of the event	About \$58 million	About \$36 million
The number of tickets sold and the admission revenues	Over 30 000 tickets of e-sports tournament, Festival Zone and concert were sold, recording more than \$8 million of box office receipts.	<p>Around 9 000 tickets of e-sports tournaments and Experience Zone were sold, recording about \$1 million of box office receipts.</p> <p>The decrease in the number of tickets sold and the admission revenue when compared to that of 2017 event is mainly due to following reasons :</p> <ul style="list-style-type: none"> • The 2018 event was held at the Hong Kong Convention and Exhibition Centre, where the number of seats that can be provided reduced by almost 30% when compared to that for the 2017 event held at the Hong Kong Coliseum; • the ticket prices of e-sports tournaments were lowered significantly by about 40%-50% and the tickets were sold on a one-day basis allowing holders to watch two matches held on the same day; • the 2018 event was collaborated with the Hong Kong Computer & Communication Festival, allowing ticket holders of the latter to enjoy free same-day admission to the e-Sports & Music Festival Hong Kong - Experience Zone; • music performance was arranged in the e-sports

	2017	2018
		tournament venue and Experience Zone and no concert with separate admission ticket required was held for the 2018 event.
Number of free tickets distributed	Over the 3-day event, around 4 800 e-sports tournament tickets were reserved for local non-profit groups to invite student and youth organisations to join the event. In addition, free admission for trade partners including travel agents and airlines was arranged to facilitate their promotional work in future.	5 700 tickets were reserved for the 3-day event for local non-profit groups to invite participation of over 20 student and youth organisations.
Total daily attendance	60 000 over the 3-day event with breakdown as follows: Day 1 : 14 000 Day 2 : 26 000 Day 3 : 20 000	80 000 over the 3-day event with breakdown as follows: Day 1 : 23 000 Day 2 : 28 000 Day 3 : 29 000
Total number of online viewers	Staged one e-sports tournament with three matches. Total number of online viewers worldwide was 7.4 million with around 500 000 of them from regions other than the Mainland.	Staged three e-sports tournaments with five matches. Total number of online viewers worldwide was 42 million with about 3 million of them from regions other than the Mainland.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)002****(Question Serial No. 1220)**

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

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

Programme: (2) Commerce and Industry, (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. The Hong Kong-Japan Business Co-operation Committee (HKJBCC) is allocated with a recurrent subvention of \$3.61 million each year. Please inform this Committee of a. the total volume of bilateral trade between Hong Kong and Japan in the past 5 years; b. a breakdown of HKJBCC's expenditure in the past 5 years; c. activities organised by HKJBCC and the expenditure incurred in the past 5 years; and d. the value-for-money indicator of HKJBCC.

2. Under Programme (7), Hong Kong Tourism Board's Matters Requiring Special Attention in 2019-20 include launching promotion campaign on 2019 Hong Kong-Japan Tourism Year. Would the Government provide details of the relevant work, and the estimated expenditure and manpower establishment involved?

Asked by: Hon AU Nok-hin (LegCo internal reference no.: 27)

Reply:

In the past five years, the annual total merchandise trade values between Hong Kong and Japan are set out below:

Year	Total Merchandise Trade Value (in HK\$ million)
2014	420,396
2015	383,067
2016	363,444
2017	381,868
2018	389,282

The Hong Kong-Japan Business Co-operation Committee

The Hong Kong-Japan Business Co-operation Committee (HKJBCC) organises high-level business-to-business dialogue to foster understanding between the business communities of Hong Kong and Japan and promote trade, investment and other economic cooperation between the two places.

Apart from the Plenary Session held alternately in Hong Kong and Japan every year, HKJBCC organised a total of 324 activities in various places in Japan in the past five years. These activities included market briefings, seminars, roundtables, workshops, networking receptions and outreach programmes to connect traders from various parts of Japan, including Kagoshima, Kumamoto, Nagoya, Osaka, Sapporo and Tokyo, attracting over 20,000 participants.

HKJBCC's expenditure in the past five financial years is tabulated as follows:

Expenditure (in HK\$'000)	2014/15	2015/16	2016/17	2017/18	2018/19[^]
Operational Activities¹	2,225	2,373	2,499	2,839	2,486
Overheads²	1,478	1,512	1,359	1,388	1,484
Total Expenditure	3,703	3,885	3,858	4,227	3,970

[^]Projection

Note 1: These include expenditure for organising business conferences and high-level networking events in Japan and Hong Kong, holding plenary session and missions, translating and publishing research reports, offering business advisory services and producing newsletters and webcasts, etc.

Note 2: These include staff costs, rent and rates, other administrative expenses and auditor's remuneration.

Hong Kong-Japan Tourism Year

The Hong Kong Tourism Board (HKTB), in partnership with the Japan National Tourism Organization and the Japan Tourism Agency, has designated 2019 as "Hong Kong-Japan Tourism Year". It will serve as a platform to further promote Hong Kong as the top destination among Japanese travellers.

In terms of trade promotion, the HKTB will collaborate with Hong Kong's hotels, attraction operators, shopping malls and dining outlets and Japanese travel agencies, airlines, etc., to roll out different tourism products, such as low season promotions and tourism products that tie in with the HKTB's mega events. The HKTB will also participate in large-scale tourism fairs in Japan to provide travel information and promote Hong Kong to Japanese consumers directly. In addition, working with educational institutions and schools in Japan, the HKTB is developing study excursion programmes targeting students in the Japanese market in the form of a pilot scheme this year.

To maximise effectiveness, trade promotions will be complemented by public relations and marketing initiatives correspondingly. For instance, the HKTB has already lined up travelogue featuring well-known Japanese celebrities for filming in Hong Kong. This programme, which promotes immersive travel in Hong Kong, will be aired on national TV channels in Japan. Meanwhile, a dedicated “Hong Kong-Japan Tourism Year” webpage has been created on the Japanese version of the HKTB website while the latest news and promotions related to “Hong Kong-Japan Tourism Year” will be disseminated through digital media platforms.

In 2019-20, the HKTB’s total marketing budget in the Japanese market is estimated to be around HK\$17.30 million, which includes HKTB’s proposed marketing budget and the additional funding from the 2019-20 Budget for the “Hong Kong-Japan Tourism Year”. The related promotion work will be undertaken jointly by various departments at the HKTB head office and its Japan office, the expenditure and manpower of which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)003

(Question Serial No. 3125)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government inform this Committee of the establishment, salary provision and operational expenses of the Belt and Road Office in 2019-20?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 3)

Reply:

In 2019-20, the Belt and Road Office (BRO) will have a total establishment of 21. The estimated overall expenditure of the BRO for 2019-20 is about \$39.958 million, of which salaries accounts for \$19.379 million, and operating expenses for \$20.579 million.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)004****(Question Serial No. 3126)**

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government inform this Committee:

- (1) with a breakdown by country, of the expenses allocated by the Hong Kong Tourism Board (HKTB) for promotion in different countries in 2018-19; and
- (2) with a breakdown by country, of the estimated expenses to be allocated by the HKTB for promotion in different countries in 2019-20?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 4)

Reply:

In 2019-20, HKTB will continue to focus its marketing resources on 20 key markets, which together generate approximately 96% of all visitor arrivals to Hong Kong. HKTB's revised marketing budget in 2018-19 and proposed marketing budget in 2019-20 in key source markets are listed below:

2019-20 Proposed marketing budget

(HK\$ million)	2019-20 Proposed Budget [#] (percentage of overall marketing budget)	2018-19 Revised Budget* (percentage of overall marketing budget)
<i>The Mainland</i>	39.2 (23.1%)	66.8 (30.0%)
South China	7.8 (4.6%)	20.0 (9.0%)
<i>Non-Guangdong</i>	3.9 (2.3%)	6.7 (3.0%)
<i>Guangdong</i>	3.9 (2.3%)	13.4 (6.0%)
Central China	11.8 (7.0%)	15.4 (6.9%)

(HK\$ million)	2019-20 Proposed Budget [#] (percentage of overall marketing budget)	2018-19 Revised Budget* (percentage of overall marketing budget)
East China	7.9 (4.6%)	11.4 (5.1%)
North China	11.8 (7.0%)	20.0 (9.0%)
Short-haul Markets	74.9 (44.1%)	96.5 (43.3%)
Japan	12.3 (7.3%)	15.6 (7.0%)
Taiwan	12.1 (7.2%)	19.3 (8.7%)
South Korea	15.2 (8.9%)	18.5 (8.3%)
Singapore	4.4 (2.6%)	4.8 (2.2%)
The Philippines	8.1 (4.8%)	11.3 (5.1%)
Malaysia	6.5 (3.9%)	7.3 (3.3%)
Indonesia	7.1 (4.2%)	9.6 (4.3%)
Thailand	9.2 (5.4%)	10.0 (4.5%)
Long-haul Markets	42.6 (25.1%)	44.8 (20.1%)
The US	14.9 (8.8%)	16.3 (7.3%)
Australia	8.5 (5.0%)	8.5 (3.8%)
The UK	7.6 (4.5%)	8.3 (3.7%)
Canada	4.1 (2.4%)	4.2 (1.9%)
Germany	4.8 (2.8%)	4.8 (2.1%)
France	2.8 (1.7%)	2.8 (1.3%)
New Markets	12.7 (7.5%)	14.7 (6.6%)
India	7.9 (4.7%)	9.9 (4.4%)
Russia	3.0 (1.8%)	3.0 (1.3%)
The GCC Markets	0.9 (0.5%)	0.9 (0.4%)
Vietnam	0.5 (0.3%)	0.5 (0.2%)
The Netherlands	0.4 (0.2%)	0.4 (0.2%)
Total	169.4 (100.0%)	222.9 (100.0%)

Remarks: Owing to rounding, the total may differ from the sum of the individual figures.

[#] This column only shows the recurrent funding that has been granted to HKTB by the Government. However, this does not include the additional fund that has been allocated to HKTB in the Budget, which amounts to \$326 million in 2019-20. HKTB is planning the allocation of this additional fund to each source market.

* The figures reflected HKTB's revised budget, which included the additional funding allocated to HKTB in the 2018-19 Budget.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)005****(Question Serial No. 3745)**

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Policy Address that the Government has co-organised consecutively with the Hong Kong Trade Development Council 3 Belt and Road (B&R) Summits since 2016. Regarding the 3 Summits, Please tabulate the dates, locations, participating organisations, numbers of participants, and staff and expenditures involved in the 3 Summits.

It is stated in the Policy Address that the Commerce and Economic Development Bureau plays a leading and co-ordinating role in promoting the B&R Initiative, and is in the process of recruiting the Commissioner for B&R to undertake the relevant work. Please list out in detail the job nature and responsibilities of the Commissioner, and the manpower and expenditure involved.

What were the work/activities of the Government in promoting the B&R Initiative in the past year and the manpower and expenditure involved?

What are the work/activities planned by the Government in promoting the B&R Initiative in the coming year and the estimated manpower and expenditure?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 80)

Reply:

Information on the past three editions of "Belt and Road Summit" is tabulated as follows -

	2016	2017	2018
Date	18 May	11 September	28 June
Location	Hong Kong Convention and Exhibition Centre		
No. of Participants	About 2 400	Over 3 000	About 5 000
No. of Exhibiting Organisations	40	40	100

Co-organising the Belt and Road Summit with the Government is part of the work of the Hong Kong Trade Development Council (TDC), which is being carried out by its existing staff and covered under Programme (3). We do not have a breakdown of TDC's staff establishment and expenditure for individual items.

The Commissioner for Belt and Road (CBR) is required to lead the Belt and Road Office (BRO) under the Commerce and Economic Development Bureau in taking forward the work of Hong Kong on the Belt and Road Initiative (B&RI). In particular, CBR is mainly responsible for –

- formulating overall strategy and spearheading policy in taking forward Hong Kong's participation under the B&RI, and providing strategic advice to the Secretary for Commerce and Economic Development;
- providing dedicated overview of the Government's strategies and initiatives under the B&RI, and co-ordinating at a key position within the Government on Belt and Road work;
- acting as the Government's focal point of contact with the mainland/overseas authorities and relevant business/professional sectors of Hong Kong in pursuit of the B&RI;
- promoting Government-to-Government and Government-to-Business connections and establishing strategic platforms with relevant stakeholders to capitalise on the opportunities brought by the B&RI;
- leading the BRO to draw up policy proposals and measures in support of Hong Kong's participation in the B&RI; and
- promoting and enhancing connections with the community and representing Hong Kong in the Mainland and the international arena on matters relating to the B&RI.

During 2018-19, the HKSAR Government pursued actively the B&RI by setting up a Joint Conference mechanism with the relevant mainland authorities and convening its first meeting in mid-June 2018 to follow up on the implementation of measures set out in the "Arrangement between the National Development and Reform Commission and the Government of the Hong Kong Special Administrative Region for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative" (the Arrangement); co-organising the 3rd Belt and Road Summit with the TDC on 28 June 2018; organising a series of sharing sessions, seminars and events to promote strategic partnership and project interfacing between enterprises and professional services sector in Hong Kong and on the Mainland; supporting activities which would enhance the capacity of the Hong Kong professional services sector under the B&RI; and organising and participating in various business and professional missions to explore opportunities in the Belt and Road related countries and regions.

In 2018-19, the BRO's total establishment is 19, with an anticipated overall expenditure of about \$21.185 million.

For the coming year, the Government will continue to play the role of "facilitator" and "promoter" to proactively implement policies and measures to seize the opportunities brought by the B&RI, including following up with relevant mainland authorities on the

implementation of the Arrangement through the second Joint Conference planned for mid-2019; organising a delegation to participate in the second Belt and Road Forum for International Cooperation to be held in Beijing in April 2019; co-organising with the TDC the 4th Belt and Road Summit on 11 to 12 September 2019; spearheading business and professional missions in conjunction with the TDC to explore emerging markets and identify business opportunities in Belt and Road related countries and regions; supporting the TDC in enhancing its Belt and Road Portal into a more comprehensive and current one-stop Belt and Road platform; and promoting closer partnerships between enterprises and professional services sector in Hong Kong and in the Mainland to “going global” en bloc under the B&RI.

In 2019-20, the BRO will have a total establishment of 21, and the estimated overall expenditure is about \$39.958 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)006

(Question Serial No. 4728)

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

Subhead (No. & title): (001) Salaries

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please tabulate the actual expenditure on the pay and gratuity of each politically accountable official of the Commerce and Economic Development Bureau (CEDB), including the Secretary for Commerce and Economic Development (SCED), the Under Secretary for Commerce and Economic Development (USCED) and the Political Assistant (PA) to SCED, for the past year.

	Pay	Gratuity
SCED		
USCED		
PA to SCED		

Please tabulate the estimated expenditure on the pay and gratuity of each politically accountable official of CEDB, including SCED, USCED and PA to SCED, for the coming year.

	Pay	Gratuity
SCED		
USCED		
PA to SCED		

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 302)

Reply:

In 2018-19, the actual expenditure on the salary and gratuity of the Secretary for Commerce and Economic Development (SCED), Under Secretary for Commerce and Economic Development (USCED) and Political Assistant (PA) to SCED is as follows -

	Salary	Gratuity
SCED	4.06 million	Nil
USCED	2.64 million	Nil
PA to SCED	1.02 million	Nil

For budgetary purpose, the provisions reserved for the salary in respect of the positions of SCED, USCED and PA to SCED for 2019-20 is as follows -

	Salary	Gratuity
SCED	4.08 million	Nil
USCED	2.65 million	Nil
PA to SCED	1.02 million	Nil

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)007

(Question Serial No. 4741)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The 2 theme parks in Hong Kong have recorded a slackening of operating results. What measures does the Government have in place to help the 2 parks attract more visitors from different places?

Please tabulate the promotion activities and programmes carried out by the Government for the 2 parks in different countries and places and the expenditure involved in the past 3 years. Meanwhile, do the 2 parks have any short, medium and long term measures and infrastructure to increase the receiving capacity and attractiveness of the park areas?

What are the details and present progress of the expansion plan of Hong Kong Ocean Park and Hong Kong Disneyland? How many new job opportunities can be provided upon completion?

What are the respective numbers of attendances of the 2 parks in the past 4 years? Please tabulate the number of visitors from Hong Kong, China, Taiwan, Japan and Korea, Europe and America, South East Asia and other overseas places with respective percentages.

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 317)

Reply:

Information regarding the two theme parks of Hong Kong is as follows –

Attendance

The attendance of the Ocean Park and Hong Kong Disneyland Resort (HKDL) and the relevant breakdown based on origin of visitors in the past four fiscal years are as follows –

	Ocean Park²	Hong Kong Disneyland Resort³			
Fiscal Year¹	Attendance (million)	Attendance (million)	Local	Mainland	Non-Mainland
2018	5.8	6.7	40%	34%	26%
2017	5.8	6.2	41%	34%	25%
2016	6.0	6.1	39%	36%	25%
2015	7.4	6.8	39%	41%	20%

¹ The fiscal year of the Ocean Park starts on 1st July of each year until 30th June of the following year. The fiscal year of HKDL is generally a 52-week or 53-week period from October of the previous year to September of the current year, with the Saturday closest to 30th September as the last day of the fiscal year.

² The Ocean Park does not publish the breakdown of its attendance based on origin of visitors.

³ HKDL publishes its attendance breakdown based on three origins: local, Mainland China and non-Mainland.

Marketing and Sales Promotion

The two theme parks have been carrying out marketing and sales promotion in key markets through various channels, and will continue to work closely with the Hong Kong Tourism Board (HKTB) and the tourism industry on promotions in different source markets, so as to stimulate attendance and business. Also, HKTB will continue to promote Hong Kong as a premier tourist destination to the international media, visitors and overseas travel trade through various channels including public relations, visitor centres, promotional materials, digital marketing and trade events, which will promote the appeal and latest facilities of the two theme parks. HKTB's marketing budgets for various source markets in the past three years are as follows –

(\$ million)	2016-17	2017-18	2018-19
Mainland China	106.2	65.6	66.8
Short-haul Markets	106.2	60.2	96.5
Japan	16.8	13.3	15.6
Taiwan	17.5	12.1	19.3
South Korea	20.5	14.8	18.5
Singapore	8.6	2.0	4.8
The Philippines	13.6	6.6	11.3
Malaysia	9.1	3.4	7.3
Indonesia	8.6	3.0	9.6
Thailand	11.5	5.1	10.0
Long-haul Markets	44.0	44.9	44.8
The US	15.1	16.1	16.3
Australia	9.1	9.0	8.5
The UK	9.0	8.2	8.3
Canada	3.2	4.0	4.2
Germany	4.8	4.8	4.8
France	2.9	2.8	2.8

(\$ million)	2016-17	2017-18	2018-19
New Markets	23.0	15.0	14.7
India	18.1	9.9	9.9
Russia	3.2	3.1	3.0
The GCC markets	1.3	1.3	0.9
Vietnam	0.3	0.4	0.5
The Netherlands	0.2	0.3	0.4
Total	279.4	185.7	222.9

Note: The total amount may differ from the sum of individual figures due to rounding.

Expansion Projects

Hong Kong Disneyland Resort

- Currently, HKDL is actively taking forward its expansion and development plan, and various new attractions are being rolled out progressively between 2018 and the coming few years, with a view to growing HKDL’s business and preparing for its further development. The first new attraction of the plan, the “Moana: A Homecoming Celebration” stage show, was launched in May 2018, and another new attraction, “Ant-Man and The Wasp: Nano Battle!”, has just commenced operation in end-March 2019. Other new items coming on stream in the next few years include the expanded castle with entirely new daytime and night time shows, as well as the new themed areas based on “Frozen” and “Marvel” superheroes respectively.
- The expansion and development plan is estimated to create about 3 450 jobs (in terms of man-year) during its construction period, and the operation of HKDL after completion of the plan would provide a total of 600 additional jobs.

Ocean Park

- The Ocean Park is taking forward its all-weather waterpark and two new hotels. Whilst the Hong Kong Ocean Park Marriott Hotel has already commenced operation in February 2019, the Tai Shue Wan waterpark and the Fullerton Ocean Park Hotel Hong Kong will be completed progressively by 2021.
- Based on the earlier assessment conducted by the Ocean Park Corporation’s independent consultant, it is expected that the ongoing operation of the waterpark to the year 2048 will generate some 4 290 new jobs gradually. It is estimated that the two hotels will create a total of about 800 new jobs.
- Furthermore, we have announced in 2018-19 Budget that a total of \$310 million would be allocated in five years (2018-19 to 2022-23) to support the Ocean Park in developing education tourism projects and staging a new 3D projection-cum-water light show with local elements.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)008****(Question Serial No. 4743)**

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please tabulate the projects funded by the Government last year for supporting Hong Kong's travel industry and the expenditure involved. What are the respective figures on the visitors attracted to the various activities and mega events as well as the revenue generated? Which of these tourism projects are able to drive the sustainable development of the local travel industry?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 319)

Reply:

Since 2017-18, the Government has been adopting a new strategy to support the staging of events and activities with different scales and nature in Hong Kong to tie in with our policy objective of diversification and attracting high-yield overnight visitors. The Government allocated \$121.3 million in 2018-19 to continue implementing the new strategy to promote the staging of mega events and activities in Hong Kong.

In 2018-19, the Government allocated funding to the Hong Kong Tourism Board (HKTB) to subsidise the staging of the following mega events and activities in Hong Kong:

Project title	Funding ceiling	Number of participating visitors
Hong Kong Tennis Open	\$9 million	About 8 000 ^{Note}
Hong Kong Open	\$15 million	About 5 000 ^{Note}
Yu Lan Cultural Festival	\$2 million	About 3 000 ^{Note}
Apleichau Hung Shing Culture Festival	\$1.3 million	The number of participating visitors is not yet available as the event was staged in March 2019.

Note: Preliminary number. The actual numbers will be confirmed after the HKTB has completed assessment of the evaluation reports to be submitted by the event organisers.

The revenues generated from the above mega events and activities will be confirmed after the HKTB has completed assessment of the financial reports submitted / to be submitted by the event organisers.

In addition, the Government also supported the promotion of the following events and activities through allocating funding to HKTB in 2018-19 to attract visitors to Hong Kong:

- the Tourism Commission to provide “one-stop” support to large-scale commercial events with significant tourism merits (e.g. the FIA Formula E Hong Kong E-Prix), including enhancing the communication and cooperation among the organisers and the Government bureaux / departments;
- to enhance four home-grown events (including the Hong Kong Dragon Boat Carnival, the Hong Kong Cyclothon, the Hong Kong Wine & Dine Festival and the Tai Hang Fire Dragon Dance) with a view to marketing them as signature events in Asia;
- to support the marketing and publicity of international events with significant branding impact (including the Art Basel, the Hong Kong Sevens, the Hong Kong Tennis Open and the Hong Kong Open) to be held continuously in Hong Kong; and
- to implement the Pilot Scheme for Characteristic Local Tourism Events for providing funding support for arts, cultural, festivals, dining or sports events with Hong Kong’s local characteristics and unique attributes.

Through the new strategy, events and activities of different scales and types could be supported according to their needs, and as a result Hong Kong will have a wide range of events and activities with local characteristics throughout the year to enhance our tourism appeal, attract more visitors to Hong Kong specifically for the events and activities or increase their length of stay, as well as to enrich visitors’ experience and strengthen Hong Kong’s status as an events capital of Asia.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)009

(Question Serial No. 4745)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is heard that the operating environment of some participants of the Food Truck Pilot Scheme (the Scheme) is not satisfactory, and some of them have even withdrawn from the Scheme. What improvement plan does the Government have in enhancing their operating environment? What are the estimated manpower and expenditure for promoting the Scheme and boosting its popularity in the coming year?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 322)

Reply:

The Government has earlier announced the extension of the Food Truck Pilot Scheme (the Scheme) for two years from 3 February 2019. The existing 15 food trucks continue to participate in the Scheme and the agreements for the extension period between the operators and the operating venues are being renewed successively.

Taking account of the operating performance of food trucks and operators' opinions, the Tourism Commission (TC) has rolled out various refinement measures since May 2017, which include:

- introducing four new operating venues (i.e. AsiaWorld-Expo, Science Park, Hong Kong University of Science and Technology and Hong Kong Science Museum);
- offering a more flexible rotation arrangement where food trucks could operate at Energizing Kowloon East Venue 1 in daytime and shift to operate in Tsim Sha Tsui Art Square in nighttime;
- allowing operators to choose whether to operate at the designated venue under the rotation schedule and pay service fees only on the operation days, thereby providing greater room and flexibility for their operation;

- allowing operators to apply to operate new venues they identified by themselves as long as the venue management allows the food trucks to operate at the venues with appropriate ancillary facilities, and if the parking location will not cause obstruction to pedestrians and vehicles; and
- allowing food trucks to apply to participate in self-identified events as long as these events are open to the public with publicity plans available and licences obtained (e.g. Temporary Place of Public Entertainment licence granted by the Food and Environmental Hygiene Department). As at 25 February 2019, food truck operators applied to operate at 70 self-identified open-to-public events. All these events were approved by TC.

In fact, TC has been relaxing the Scheme to reduce restrictions and enhance operation flexibility for improving the operators' business environment. During the extension period of the Scheme, TC will continue to look for other new operating venues where practicable, including outside of the Passenger Clearance Building of Hong Kong-Zhuhai-Macao Bridge Hong Kong Port, and to encourage relevant government departments to consider engaging food trucks in events organised or sponsored by them.

The Food Truck Office under TC will continue implementing the Scheme and providing one-stop services to food truck operators. The Food Truck Office is composed of one Chief Executive Officer, one Senior Executive Officer, one Senior Health Inspector, one Assistant Manager employed on non-civil servant contract, one Health Inspector and one Assistant Clerical Officer. In 2019-20, the Government has earmarked \$5.736 million for running the Scheme. The manpower and expenditure on the promotion cum publicity have been subsumed within the establishment and provision of the Food Truck Office, and it is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)010

(Question Serial No. 5208)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government states that the provision for 2019-20 is \$387.9 million (111.5%) higher than the revised estimate for 2018-19 mainly due to the funding for establishing the Travel Industry Authority and the new provision for taking forward new initiatives under the Development Blueprint for Hong Kong's Tourism Industry (the Development Blueprint). Would the Government tabulate the names and brief descriptions of the new measures to be launched under the Development Blueprint in 2019-20, and list their respective recurrent and non-recurrent expenditures in 2019-20?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 355)

Reply:

The estimate under Programme (6) for 2019-20 is \$387.9 million (111.5%) higher than the revised estimate for 2018-19, which is due to –

- the funding of \$350 million to establish the Travel Industry Authority;
- the additional provision of \$26.8 million to continue to implement the “Development Blueprint for Hong Kong's Tourism Industry” (the Development Blueprint), mainly for taking forward six new initiatives to promote tourism development, details of which are shown in the following table –

Tourism initiatives to be implemented	Additional funding amount in 2019-20 (\$ million)
<p><u>Strategy 1: To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</u></p> <ul style="list-style-type: none"> Allocating additional funding to the Travel Industry Council of Hong Kong (TIC) for strengthening its web-based tourism resource platform about the Belt-and-Road (B&R) related countries and regions and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) cities 	2
<p><u>Strategy 2: To nurture and develop tourism products and initiatives with local and international characteristics</u></p> <ul style="list-style-type: none"> Commissioning a consultancy study to review the exhibition and visitor facilities of Hong Kong Wetland Park Enhancing the facilities and services of Ngong Ping Nature Centre to complement the improvement scheme for the hiking trails in the vicinity 	9.2
<p><u>Strategy 3: To develop smart tourism</u></p> <ul style="list-style-type: none"> Commissioning a consultancy study on promotion of smart tourism Extending the official smart landing page, “Visit Hong Kong”, to other boundary control points 	4.5
<p><u>Strategy 4: To upgrade the service quality of tourism industry</u></p> <ul style="list-style-type: none"> Allocating additional funding to TIC for promoting business co-operation through trade forums or exchange visits in B&R related countries and regions and Greater Bay Area cities, as well as enhancing the service quality of the travel trade through training initiatives 	4
<i>Sub-total</i>	19.7
Other initiatives under implementation	
Supporting the appeal panel under the new regulatory regime of the travel industry, the extension of food truck pilot scheme for two years, and providing additional manpower to implement other on-going initiatives under the Development Blueprint	7.1
<i>Total</i>	26.8

- the remaining increase of \$11.1 million in estimate to cater for the creation of new posts, the impact of pay rise and other operating expenses.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)011

(Question Serial No. 5215)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Hong Kong has all along been lacked a motor racing circuit for training. The Hong Kong Automobile Association (HKAA) once submitted an application for the construction of a motor racing circuit at Sunny Bay, but no progress has been made so far. Hong Kong was the host of Formula E in the last 2 years, but there is no training venue in the city. Now, as the Government is willing to set aside part of the reclaimed site for the Phase 2 development of the Hong Kong Disneyland Resort (Phase 2 site) to build a flower-themed garden, the site can be leased under a short term tenancy (STT) for motor racing, or even be turned into a day-to-day go-karting venue for attracting tourists. In this connection, has the Government received application from the HKAA? Will the Government adopt the STT approach for the Phase 2 site?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 364)

Reply:

According to the Option Deed signed between the Government and Hongkong International Theme Parks Limited (i.e. the joint venture with the Government and The Walt Disney Company as shareholders) in 2000, the joint venture has an Option to purchase the Phase 2 site (i.e. the reclaimed site to the east of Hong Kong Disneyland Resort (HKDL)) for taking forward HKDL's further development. The Phase 2 site can be put to short-term uses before the joint venture exercises the Option, and such short-term uses have to comply with various permitted uses as listed in the Deed of Restrictive Covenant, including recreational, sports and cultural facilities, etc. At the same time, the Government needs to consider whether the short-term uses of the Phase 2 site are compatible with the use and atmosphere of HKDL. Having consulted relevant bureaux and departments, we note that the Government has not received Hong Kong Automobile Association (HKAA)'s application for short-term tenancy at the Phase 2 site to develop motor racing facilities. If the

Government receives the relevant application, it will be processed in accordance with the established procedures.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)012

(Question Serial No. 5218)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

There have been news reports on visitors overwhelming communities from time to time in recent years. A restaurant in Tin Wan is known to receive Mainland tour groups often. At an earlier time, a netizen shot the scene of the pedestrian way in Tin Wan Street being crowded with over a hundred of Mainland visitors. As a result, a traffic lane was occupied and police officers were needed to attend the scene for crowd control. Local residents said that the problem has persisted for over 3 years and there has been no improvement in the situation. Have the Travel Industry Council of Hong Kong received any complaint in this relation? It is learnt that the local pedestrian way is narrow and hardly could it accommodate a crowd of over a hundred for staying there. Is it necessary to co-ordinate with the person-in-charge of the restaurant on separating tour groups' dining times properly, among others, so as to avoid all tour groups from heading for the restaurant at once and flooding the pedestrian way outside? Does the Bureau have any statistics on the hardest hit areas? How many of them are located in communities which require deployment of extra manpower for co-ordination in the next golden week? Mainland tour groups have been causing nuisances to communities frequently. In recent years, a large number of shops have been opened in such communities as To Kwa Wan, Hung Hom and Aberdeen to serve tourists specifically and receive Mainland tour groups. However, due to insufficient coach parking spaces, coaches are always found parked illegally and even in front of bus stops for alighting and boarding. It is heard that upon reflection of the problem by some locals, jointly with the Transport Department, more restricted area signs have been erected in the district together with banners hung to advise drivers not to park illegally. But no improvement have been shown. In this connection, does the Government have the number of prosecutions against coaches for illegal parking in the past? Where are the black spots of illegal parking? Will the travel agencies which involved in illegal parking repeatedly be warned and/or punished, so as to raise their concern over the issue?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 367)

Reply:

The Government has been pragmatic in tackling problems brought about by visitors to Hong Kong to local communities, and maintaining close liaison with the travel trade, Travel Industry Council of Hong Kong (TIC), district personalities, Legislative Council Members, etc. to implement various targeted mitigation measures. Such measures include encouraging tour coaches to use proper parking spaces, appealing to the trade to observe order when receiving inbound tour groups and use information technology in strengthening control on visitor and vehicular flow, etc. The Tourism Commission, together with relevant Government departments and the TIC, meet with trade representatives from time to time to monitor their arrangements in receiving inbound tour groups.

Furthermore, before peak periods of visitor arrivals, the Tourism Commission will convene inter-departmental meetings to strengthen visitor crowd control measures and endeavour to alleviate the impact brought about by tourist activities to local communities.

The TIC has been following up with trade members on their arrangements to receive inbound tour groups through on-site inspection, advisory letters, meetings, etc., and has set up a co-ordination group to strengthen the co-ordination of trade members including travel agents, shops, etc. and to devise and implement measures on diversion and visitor flow management of Mainland inbound tour groups.

On illegal parking, the Police all along takes appropriate traffic control and prosecution action with regard to the situation of individual districts. The Police will continue to closely monitor the situation, maintain liaison with other Government departments and stakeholders, and implement timely crowd and traffic management to ensure the safety of road users and smooth traffic flow. The Police does not have the total number of prosecutions in respect of tour coaches.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)013

(Question Serial No. 0446)

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

Subhead (No. & title): (000) Operational expenses

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

The estimated financial provision of Programme (2): Commerce and Industry in 2019-20 is \$616.5 million, with an increase of 105.4%. During 2019-20, the Commerce, Industry and Tourism Branch will continue to consolidate Hong Kong's unique advantages as the prime platform and a key link for the Belt and Road Initiative by engaging in policy dialogues with the Mainland authorities and following up on the implementation of the "Arrangement between the National Development and Reform Commission and the Government of the Hong Kong Special Administrative Region for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative" (the Arrangement) through the second Joint Conference to be held in mid-2019; organising a high-level delegation to participate in the second Belt and Road Forum for International Co-operation to be held in Beijing in April 2019; co-organising with the Hong Kong Trade Development Council (HKTDC) the fourth Belt and Road Summit on 11 and 12 September 2019; spearheading high-level business and professional missions in conjunction with HKTDC and the industries to explore emerging markets and identify business opportunities in Belt and Road related countries and regions; supporting HKTDC in enhancing its Belt and Road Portal into a more comprehensive and current one-stop Belt and Road platform; and promoting closer partnership between enterprises and professional services sector in Hong Kong and in the Mainland to "going global" en bloc under the Initiative. In this connection, will the Government advise this Committee of:

1. the specific work details of "going global" en bloc;
2. the manpower and expenditure involved; and
3. the expected share of the above work in the estimated financial provision of \$616.5 million (+105.4%) for 2019-20.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 17)

Reply:

In taking forward the Belt and Road Initiative (B&RI), the Government has been and will continue to promote enterprises and professional services to form strategic partnerships for “going global” en bloc by means of establishing various platforms. For instance during 2018-19, sharing sessions respectively on economic and trade co-operation zones; trade investment policies and practices of Belt and Road countries; and risk management of Belt and Road projects were held in conjunction with the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Commerce of the Central People’s Government in Hong Kong on 14 August 2018, 12 November 2018 and 25 February 2019.

As well, the Government co-organised with the Hong Kong Trade Development Council (TDC) the 3rd Belt and Road Summit on 28 June 2018, which attracted some 5 000 participants, and over 520 one-to-one business matching meetings involving more than 230 projects were arranged. The 4th Belt and Road Summit will continue to be organised on 11 to 12 September this year. In March 2019, the Secretary for Commerce and Economic Development led a business and professional mission to Georgia and Hungary to foster connection and co-operation between Hong Kong enterprises and professional associations with local enterprises thereof. The Government will continue with such efforts in 2019-20, including the organisation of business and professional mission in June in conjunction with the TDC and the Ministry of Commerce of the Central People’s Government to visit Belt and Road related countries and regions.

The above-mentioned work is being taken forward by the Belt and Road Office (BRO) as part of its overall efforts in promoting Hong Kong’s participation in the B&RI. We do not have a further breakdown of expenditure. The estimated overall expenditure of the BRO for 2019-20 is about \$39.958 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)014

(Question Serial No. 2565)

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

Subhead (No. & title): (000) Operational expenses

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Following the commissioning of the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge, has the Hong Kong Tourism Board allocated additional resources to develop and promote multi-destination tourism products to capitalise on opportunities arising from the Greater Bay Area development? If yes, what are the details of the work plan and the manpower and expenditure involved?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 33)

Reply:

The Hong Kong Tourism Board (HKTB) has been actively promoting the development of multi-destination tourism. Such efforts include through strengthened collaboration with the tourism promotion organisations in Guangdong Province and Macao, jointly promoting the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) tourism brand, as well as multi-destination itineraries and tourism products featuring Hong Kong to overseas travellers. The relevant initiatives include –

- producing travel television programmes hosted by celebrities, so as to showcase the different travel experiences offered by Guangdong, Hong Kong and Macao, as well as the strong transport connectivity amongst the three places, with a view to encouraging overseas travellers to visit the Greater Bay Area on a multi-destination basis;
- encouraging the travel trade to develop multi-destination products targeting different overseas source markets, and involving the use of Guangdong Province's 144-hour Facilitation Visa measure in crossing the border, as well as the use of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge in travelling amongst destinations;

- organising trade familiarisation tours to the Greater Bay Area for travel trades overseas, so as to encourage them to develop multi-destination tourism products featuring the Greater Bay Area; and
- conducting joint promotion in various large-scale overseas trade fairs to promote multi-destination itineraries and products featuring the Greater Bay Area.

The HKTB will also collaborate with travel destinations nearby to conduct joint promotion in long-haul markets, encouraging travellers in these markets to visit the Greater Bay Area on a multi-destination basis. For example, the HKTB is planning to join hands with the tourism organisations in places including Thailand and the Philippines to conduct joint promotion in source markets such as the United States, Canada and Russia, so as to draw more international travellers to Hong Kong and the Greater Bay Area.

Since the aforementioned promotion initiatives will be jointly conducted by the HKTB's head office and worldwide offices, and will be subsumed into various promotion programmes of the HKTB, it is difficult to break down and quantify the staff establishment for individual items. The total budget for the HKTB to promote the development of multi-destination tourism in 2019-20 is around \$15.9 million, which includes the HKTB's proposed marketing budget and the additional funding from the Budget.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)015

(Question Serial No. 2567)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Food Truck Pilot Scheme (the Scheme) will be extended for two more years to 2021. In this connection, has the Government set aside any resources in the 2019-20 Budget to further develop and promote the Scheme? If yes, what are the work details, as well as the manpower and expenditure set aside for this purpose?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 36)

Reply:

The Food Truck Pilot Scheme (the Scheme) has been extended for two more years starting from 3 February 2019. The Government has earmarked \$5.736 million in 2019-20 for running the Scheme. During the extension period of the Scheme, the Tourism Commission (TC) will continue to look for other new operating venues where practicable, including outside of the Passenger Clearance Building of Hong Kong-Zhuhai-Macao Bridge Hong Kong Port, and to encourage relevant government departments to consider engaging food trucks in events organised or sponsored by them. Moreover, TC will continue to arrange food trucks to participate in large-scale events organised by the Hong Kong Tourism Board e.g. the Dragon Boat Carnival. TC also encourages food truck operators to make use of different social platforms and media to publicise their food trucks and food products so as to build up their own branding. The manpower and expenditure on the implementation and publicity of the Scheme have been subsumed within the establishment and provision of the Food Truck Office, and it is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)016

(Question Serial No. 2568)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under the “Matters Requiring Special Attention in 2019–20” that the Government will launch a new tourism project along the two sides of the Victoria Harbour that makes use of augmented reality and multimedia and creative technology to enable visitors to experience the historical landscape and community culture. Is there any specific timetable for implementation? What will be the manpower and expenditure involved in the related work?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 37)

Reply:

The Government is partnering with the School of Creative Media, City University of Hong Kong to take forward the project in bringing visitors back to life the history of individual landmarks of Hong Kong by using augmented reality and creative multimedia technology through mobile application to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. The first phase of this 3-year project is tentatively scheduled for launching in the Tsim Sha Tsui and Central areas in second half of 2019.

In 2019-20, the Government has reserved \$12 million for the project. The project will be implemented with existing manpower and the related expenditure is subsumed under the establishment of the Commerce, Industry and Tourism Branch of this Bureau.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)017****(Question Serial No. 2948)**

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Programme (2) "Commerce and Industry" that the Bureau "pursued actively the Belt and Road Initiative". Please advise this Committee on the following:

1) Regarding the work of "organising a series of sharing sessions, seminars and events to promote strategic partnership and project interfacing between enterprises and professional services sector in Hong Kong and on the Mainland", please list the details of the sharing sessions, seminars and events involved, including the (i) date of the activity, (ii) theme and content of the activity, (iii) co-organiser(s), (iv) number of participants, and (v) expenses involved.

(i) Date of the activity	(ii) Theme and content of the activity	(iii) Co-organiser(s)	(iv) Number of participants	(v) Expenses involved

2) Regarding the work of "supporting activities which would enhance the capacity of the Hong Kong professional services sector under the Initiative" mentioned under Programme (2) "Commerce and Industry", please list the details of the activities involved, including the (i) name and content of the activity, (ii) sector(s) involved, (iii) implementation timetable and (iv) expenses involved.

(i) Name and content of the activity	(ii) Sector(s) involved	(iii) Implementation timetable	(iv) Expenses involved

3) Regarding the work of “organising and participating in various business and professional missions to explore opportunities in the Belt and Road related countries and regions” mentioned under Programme (2) “Commerce and Industry”, please list the details of the missions involved, including the (i) date of the visit, (ii) country or place of the visit, (iii) co-organiser(s), (iv) number of participants from various bodies, (v) list of members, (vi) programme of visit and (vii) expenses involved.

(i) Date of visit	(ii) Country or place of the visit	(iii) Co-organiser(s)	(iv) Number of participants from various bodies	(v) List of members	(vi) Programme of visit	(vii) Expenses involved

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 38)

Reply:

In 2018-19, the following Belt and Road related exchanges, seminars and business matching events had been organised, co-organised or supported by the Commerce and Economic Development Bureau (CEDB) -

Date of activity	Theme and content of the activity	Co-organiser(s)	Number of participants
28 June 2018	Belt and Road Summit: Collaborate for Success	Hong Kong Trade Development Council (TDC)	Around 5 000
29 June 2018	Cambodia – Hong Kong Trade Promotion Forum	**	Around 300
14 August 2018	Joint sharing session with State-owned enterprises on Economic and Trade Cooperation Zones for Belt and Road opportunities	State-owned Assets Supervision and Administration Commission of the State Council (SASAC)	Around 210
12 November 2018	Sharing session on Belt and Road trade and investment policies (briefing given by the economic and commercial counsellor of Chinese Embassies in Belt and Road related countries)	**	Around 400

Date of activity	Theme and content of the activity	Co-organiser(s)	Number of participants
12 December 2018	“Belt and Road: Hong Kong – IN” Forum cum Inauguration of the Belt and Road Cross-Professional Advancement Programme	N.A.	Around 650
25 February 2019	"Belt and Road: Hong Kong - IN" Sharing Session on Risk Management	SASAC	Around 220

(**) The CEDB rendered support to these Belt and Road related events which were organised by other organisations and encouraged the participation of enterprises/professional associations

The Government is committed to enhancing the capacity of the Hong Kong professional services sector under the Belt and Road Initiative (B&RI), with a view to better equipping the professional services to capitalise on the opportunities and meet the challenges brought by the B&RI. The CEDB supported the development of the Belt and Road Cross-Professional Advancement Programme, which received funding support of around \$2.3 million from the Professional Services Advancement Support Scheme (which is being managed by the CEDB). The Programme was launched on 12 December 2018, and is being undertaken by the Hong Kong Polytechnic University, as well as has received support from a number of chambers of commerce and professional associations, covering the accounting, legal services, dispute resolution, engineering and surveying sectors.

The CEDB will organise a business and professional mission in conjunction with the TDC and the Ministry of Commerce of the Central People’s Government to Spain, Serbia, and the United Arab Emirates in June 2019. The mission delegation will consist of representatives from different sectors with participation of Mainland enterprises. Meetings with local government officials responsible for commerce and industry, investment and infrastructure development are being planned. The mission will also have business exchanges with local enterprises for updates on the latest economic and investment environment of the three countries. The opportunity will be taken to promote closer partnerships between enterprises and professional services sector in Hong Kong and in the Mainland to “going global” en bloc. The mission is currently still at the planning stage, and other details have yet to be finalised.

The above-mentioned work is being taken forward by the Belt and Road Office (BRO) as part of its overall efforts in promoting Hong Kong’s participation in the B&RI. The estimated overall expenditure of the BRO for 2019-20 is about \$39.958 million.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)018****(Question Serial No. 2949)**

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (2): Commerce and Industry, the Branch “pursued actively the Belt and Road Initiative”, please advise this Committee of the following: :

- 1) It is mentioned in Programme (2): Commerce and Industry that the Branch will “spearhead high-level business and professional missions in conjunction with HKTDC and the industries to explore emerging markets and identify business opportunities in Belt and Road related countries and regions”. Please provide the work plan for the coming year, including (i) visits planned; (ii) countries and regions involved; (iii) priorities of visits; (iv) co-organisers; (v) estimated expenditure; and (vi) timetable.

(i) visits planned	(ii) countries and regions involved	(iii) priorities of visits	(iv) co-organisers	(v) estimated expenditure	(vi) timetable

- 2) It is mentioned in Programme (2): Commerce and Industry that the Branch will “promote closer partnership between enterprises and professional services sector in Hong Kong and in the Mainland to ‘going global’ en bloc under the Initiative”. Please provide the details of work of future plans, including (i) the details of work being considered, planned or prepared; (ii) implementation timetable; and (iii) expenditure involved.

(i) details of work being considered, planned or prepared	(ii) implementation timetable	(iii) expenditure involved

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 39)

Reply:

The Commerce and Economic Development Bureau will organise a business and professional mission in conjunction with the Hong Kong Trade Development Council (TDC) and the Ministry of Commerce of the Central People's Government to visit three potential Belt and Road economies in June 2019, namely, Spain, Serbia, and the United Arab Emirates. The mission delegation will consist of representatives from different sectors with participation of Mainland enterprises. Meetings with local government officials responsible for commerce and industry, investment and infrastructure development are being planned. The mission will also have business exchanges with local enterprises for updates on the latest economic and investment environment of the three countries. The opportunity will be taken to promote closer partnerships between enterprises and professional services sector in Hong Kong and in the Mainland to "going global" en bloc. The mission is currently still at the planning stage, and other details have yet to be finalised.

The Government and TDC will co-organise the 4th Belt and Road Summit on 11 to 12 September 2019 to continue to promote and foster Hong Kong as an international commerce and trading platform for the Belt and Road Initiative (B&RI). "Hong Kong IN: Creating and Realising Opportunities" will be the theme of this year's Summit, which will continue to feature investment and business matching sessions and one-to-one business matching meetings to encourage business partnerships.

The above-mentioned work is being taken forward by the Belt and Road Office (BRO) as part of its overall efforts in promoting Hong Kong's participation in the B&RI. The estimated overall expenditure of the BRO for 2019-20 is about \$39.958 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)019

(Question Serial No. 5067)

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

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

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Please provide in table form the details of complaints on unfair trade practices received by the Consumer Council for the past 5 years:

Year	No. of cases relating to complaints on unfair trade practices	No. of substantiated cases after investigation	No. of cases successful in recovering money	No. of cases referred to enforcement officers for investigation	No. of convicted cases
2014-2015					
2015-2016					
2016-2017					
2017-2018					
2018-2019					

2. Please provide in table form the details of complaints on sale of columbaria received by the Consumer Council for the past 5 years:

Year	No. of cases relating to complaints on unfair trade practices	No. of substantiated cases after investigation	No. of cases successful in recovering money	No. of cases referred to enforcement officers for investigation	No. of convicted cases
2014-2015					
2015-2016					
2016-2017					
2017-2018					
2018-2019					

3. Please provide in table form the details of complaints on sale of beauty services received by the Consumer Council for the past 5 years:

Year	No. of cases relating to complaints on unfair trade practices	No. of substantiated cases after investigation	No. of cases successful in recovering money	No. of cases referred to enforcement officers for investigation	No. of convicted cases

2014-2015					
2015-2016					
2016-2017					
2017-2018					
2018-2019					

4. Please provide in table form the details of complaints on sale of fitness services received by the Consumer Council for the past 5 years:

Year	No. of cases relating to complaints on unfair trade practices	No. of substantiated cases after investigation	No. of cases successful in recovering money	No. of cases referred to enforcement officers for investigation	No. of convicted cases
2014-2015					
2015-2016					
2016-2017					
2017-2018					
2018-2019					

5. Please provide in table form the details of complaints on pyramid selling received by the Consumer Council for the past 5 years:

Year	No. of cases relating to complaints on unfair trade practices	No. of substantiated cases after investigation	No. of cases successful in recovering money	No. of cases referred to enforcement officers for investigation	No. of convicted cases
2014-2015					
2015-2016					
2016-2017					
2017-2018					
2018-2019					

6. Please provide in table form the details of complaints on sale of travel club membership received by the Consumer Council for the past 5 years:

Year	No. of cases relating to complaints on unfair trade practices	No. of substantiated cases after investigation	No. of cases successful in recovering money	No. of cases referred to enforcement officers for investigation	No. of convicted cases
2014-2015					
2015-2016					
2016-2017					
2017-2018					
2018-2019					

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 102)

Reply:

The numbers of complaint cases on unfair trade practices, and out of these complaints, the numbers of complaint cases on unfair trade practices regarding sale of columbaria, beauty services, fitness services and time-sharing/travel club membership received by the Consumer Council (the Council) in the past five years are listed in the following respective tables. The Council does not maintain separate statistics on complaint cases on pyramid selling. As the Council's functions do not include enforcement, the Council does not have statistics on investigations and conviction.

Complaint cases on unfair trade practices			
Year	Number of complaint cases on unfair trade practices ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2014	6265	1410	343
2015	4333	1283	229
2016	3078	835	141
2017	3514	993	96
2018	3718	879	67

Columbaria			
Year	Number of complaint cases on unfair trade practices regarding sale of columbaria ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2014	3	2	0
2015	2	0	0
2016	2	0	0
2017	0	0	0
2018	1	0	0

Beauty Services			
Year	Number of complaint cases on unfair trade practices regarding sale of beauty services ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2014	407	113	3
2015	515	174	12
2016	444	153	6
2017	373	127	5
2018	310	85	5

¹ This is the total number of complaints received, including pursuable and non-pursuable cases.

² Does not include cases that have been successfully resolved after conciliation that do not involve monetary recovery.

Fitness Services			
Year	Number of complaint cases on unfair trade practices regarding sale of fitness services ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2014	342	94	1
2015	431	188	5
2016	329	60	2
2017	221	88	0
2018	415	78	1

Time-sharing/Travel club membership			
Year	Number of complaint cases on unfair trade practices regarding sale of travel club membership ¹	Number of cases successful in recovering money ²	Number of cases referred to government departments for follow up
2014	12	4	0
2015	14	1	0
2016	23	2	1
2017	82	2	4
2018	44	1	0

- End -

¹ This is the total number of complaints received, including pursuable and non-pursuable cases.

² Does not include cases that have been successfully resolved after conciliation that do not involve monetary recovery.

CONTROLLING OFFICER'S REPLY

CEDB(CIT)020

(Question Serial No. 5109)

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

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

Programme: Not Specified

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1) Concerning the requests for information under the Code on Access to Information received by the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) for which only some of the required information was provided, please state in table form: (i) the content of the requests for which only some of the required information was provided; (ii) the reasons for providing some of the information only; and (iii) how the requests were eventually handled.

Year

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) How the requests were eventually handled

2) Concerning the requests for information under the Code on Access to Information received by the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) for which the required information was not provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; and (iii) how the requests were eventually handled.

Year

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) How the requests were eventually handled

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 125)

Reply:

During the period from January to September 2018, among the requests for information under the Code on Access to Information received by the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch), there was no case that only some of the required information was provided or the required information was not provided.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)021

(Question Serial No. 5787)

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

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

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work in relation to the Code on Access to Information, please advise this Committee on the following:

- concerning the requests for information under the Code on Access to Information received by the Hong Kong Post (HKP) for which only some of the required information was provided, please state in table form: (i) the content of the requests for which only some of the required information was provided; (ii) the reasons for providing some of the information only; and (iii) how the requests were eventually handled.

Year

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) How the requests were eventually handled

- concerning the requests for information under the Code on Access to Information received by the HKP for which the required information was not provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; and (iii) how the requests were eventually handled.

Year

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) How the requests were eventually handled

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 172)

Reply:

During the period from January to September 2018, among the requests for information under the Code on Access to Information received by the Hongkong Post, there was no case that only some of the required information was provided or the required information was not provided.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)022

(Question Serial No. 5314)

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

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

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the following details of each of the duty visits made by the Secretary and Under Secretary in each of the past 5 years in chronological order: (a) purpose and destination, (b) post titles of the local officials met, (c) number and post titles of the Hong Kong officials in entourage, (d) number of days of the visit, and (e) total expenditure incurred, including expenses on (i) transportation (air tickets and local transportation), (ii) accommodation, (iii) meals, (iv) banquets or entertainment and (v) gifts.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 2030)

Reply:

In the five financial years from 2014-15 to 2018-19 (as at 28 February 2019), the overseas duty visits conducted by the Secretary for Commerce and Economic Development and the Under Secretary for Commerce and Economic Development are set out at the Appendix.

In the five financial years from 2014-15 to 2018-19 (as at 28 February 2019), the actual expenditures on official entertainment of the Director of Bureau's Office are about \$110,000, \$100,000, \$170,000, \$150,000 and \$150,000 respectively.

In line with the Government's green policy, public officers should as far as possible refrain from bestowing gifts/souvenirs to others during the conduct of official activities. According to the existing guidelines, where bestowal of gifts/souvenirs is necessary or unavoidable due to operational, protocol or other reasons, the gift/souvenir items should not be lavish or extravagant and the number should be kept to a minimum. Also, the exchange of gifts/souvenirs should only be made from organisation to organisation. As we do not specifically maintain separate accounts for the expenses on the procurement of gifts and souvenirs, relevant statistics are not available.

Secretary for Commerce and Economic Development

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses Note (C)	Total expenditure (A)+(B)+(C)
2014-15 (22 times)	Chongqing, France (Paris), Myanmar (Nay Pyi Taw and Yangon), Qingdao*, Nanjing*, Beijing*, Taichung, Taipei, Shenzhen, Harbin, Guangzhou*, Xinhui, Vietnam (Ho Chi Minh City), South Korea (Seoul), Shanghai, USA (Los Angeles), Japan (Tokyo and Osaka) and Russia (Moscow)	Attending international conferences (e.g. informal ministerial meetings of World Trade Organisation and ministerial meetings of Asia-Pacific Economic Cooperation), attending bilateral and multilateral meetings and events; providing updates on Hong Kong's latest economic development; promoting business opportunities and overall image of Hong Kong; meeting with chambers of commerce, related organisations and Hong Kong people.	1-2 each time	About HK\$324,000	About HK\$45,000	About HK\$53,000	About HK\$422,000

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses Note (C)	Total expenditure (A)+(B)+(C)
2015-16 (21 times)	Shanghai, Nansha, Malaysia (Kuala Lumpur), Wuhan, the Philippines (Boracay*, Cebu*, Manila* and Iloilo*), Jinan, Germany (Berlin), France (Paris and Burgundy), Canada (Toronto and Vancouver), USA (Chicago and San Francisco), Tianjin, Australia (Melbourne, Canberra, Adelaide and Sydney), Chile (Santiago), Mexico (Mexico City), Beijing*, Belgium (Brussels), Thailand (Bangkok), Switzerland (Davos) and Korea (Seoul)	Attending international conferences (e.g. informal ministerial meetings of World Trade Organisation and ministerial meetings of Asia-Pacific Economic Cooperation), attending bilateral and multilateral meetings and events; providing updates on Hong Kong's latest economic development; promoting business opportunities and overall image of Hong Kong; meeting with chambers of commerce, related organisations and Hong Kong people.	0-2 each time	About HK\$648,000	About HK\$59,000	About HK\$76,000	About HK\$783,000

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses Note (C)	Total expenditure (A)+(B)+(C)
2016-17 (13 times)	United Kingdom (London), Lithuania (Vilnius), Canada (Calgary), Laos (Vientiane*), Guangzhou*, Dalian, Spain (Madrid), Peru (Lima*), Singapore, the Philippines (Manila), USA (Washington), Beijing*, Israel (Jerusalem and Tel Aviv), Switzerland (Geneva, Bern and Davos) and Ireland (Dublin)	Attending international conferences (e.g. informal ministerial meetings of World Trade Organisation and ministerial meetings of Asia-Pacific Economic Cooperation), attending bilateral and multilateral meetings and events; providing updates on Hong Kong's latest economic development; promoting business opportunities and overall image of Hong Kong; meeting with chambers of commerce, related organisations and Hong Kong people.	0-1 each time	About HK\$686,000	About HK\$45,000	About HK\$57,000	About HK\$788,000

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses Note (C)	Total expenditure (A)+(B)+(C)
2017-18 (24 times)	Slovenia (Ljubljana), Italy (Milan), Macao*, Foshan, Guangzhou, Beijing*, Hefei*, Vietnam (Hanoi* and Danang*), Fuzhou, Netherlands (Schiphol and Hague), France (Paris), Shenzhen, the Philippines (Manila*), United Kingdom (London), Changsha*, Morocco (Marrakech*), Argentina (Buenos Aires), Belgium (Brussels), Switzerland (Davos), Cambodia (Phnom Penh), Vietnam (Ho Chi Minh City) and Macao	Attending international conferences (e.g. informal ministerial meetings of World Trade Organisation and ministerial meetings of Asia-Pacific Economic Cooperation), attending bilateral and multilateral meetings and events; providing updates on Hong Kong's latest economic development; promoting business opportunities and overall image of Hong Kong; meeting with chambers of commerce, related organisations and Hong Kong people; and leading business delegation to explore new markets.	1-2 each time	About HK\$518,000	About HK\$76,000	About HK\$92,000	About HK\$686,000

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses Note (C)	Total expenditure (A)+(B)+(C)
2018-19 (as at 28.2.2019) (13 times)	Greater Bay Area cities, Indonesia (Jakarta), Papua New Guinea (Port Moresby)*, Beijing*, France (Paris and Burgundy), the Netherlands (Amsterdam), USA (Washington), Canada (Ottawa and Montreal), Shanghai*, Japan (Tokyo), Shenzhen*, Switzerland (Davos) and Thailand (Bangkok)*	Attending international conferences (e.g. informal ministerial meetings of the World Trade Organisation and ministerial meetings of Asia-Pacific Economic Cooperation), attending bilateral and multilateral meetings and events; providing updates on Hong Kong's latest economic development; promoting Hong Kong's role in the Belt and Road Initiative; promoting business opportunities and overall image of Hong Kong; meeting with chambers of commerce, related organisations and Hong Kong people.	1-2 each time	About HK\$431,000	About HK\$65,000	About HK\$67,000	About HK\$563,000

Under Secretary for Commerce and Economic Development (the position was vacant from 1 July to 1 August 2018)

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of overseas duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses Note (C)	Total expenditure (A)+(B)+(C)
2014-15 (8 times)	Xiamen, Dongguan, Guangzhou, Huizhou, Shenzhen and Fuzhou	Attending meetings and events (e.g. Hong Kong-Shenzhen Cooperation Meeting)	0	About HK\$9,000	About HK\$3,000	About HK\$2,000	About HK\$14,000
2015-16 (4 times)	Shenzhen, Dongguan, Zhuhai* and Jiangmen*	Attending ceremonies of promotional events and conducting visits (e.g. HK-PRD Industrial and Commercial circle goodwill gathering)	0	About HK\$4,300	About HK\$600	About HK\$900	About HK\$5,800
2016-17 (6 times)	Dongguan, Chengdu, Guangzhou*, Shenzhen* and Nanchong*	Attending meetings, ceremonies of promotional events and conducting visits (e.g. HK-PRD Industrial and commercial circle goodwill gathering; and HK-GD Cooperation Joint Conference)	0	About HK\$20,000	About HK\$3,000	About HK\$3,000	About HK\$26,000
2017-18 (1 time)	Vietnam (Ho Chi Minh City*)	Attending meeting	0	About HK\$4,700	HK\$0	About HK\$900	About HK\$5,600

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of overseas duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses Note (C)	Total expenditure (A)+(B)+(C)
2018-19 (as at 28.2.2019) (11 times)	Dongguan, Singapore, Guangzhou*, Xiamen, Macao*, Shenzhen, Qingyuan, Fujian and Zhuhai	Attending meetings, ceremonies of promotional events and conducting visits (e.g. HK-PRD Industrial and commercial circle goodwill gathering; and HK-Fujian Cooperation Conference)	0	About HK\$34,400	About HK\$6,200	About HK\$6,400	About HK\$47,000

* The visit received sponsorship (such as hotel accommodation and/or local transportation) offered by government agencies / organisers of conferences or events, but actual value of the sponsorship is not available.

Note: Other expenses include payment of subsistence allowance for duty outside Hong Kong and sundry expenses (if applicable).

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)023

(Question Serial No. 5315)

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

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

Programme: (9) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please inform us the following in the past 2 years: (a) the numbers of enquiries and complaints received and the number of cases filed for investigation by the Competition Commission (the Commission); (b) the staffing provision for the Commission and the division of work among its staff.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 2031)

Reply:

The number of complaints and enquiries received by the Competition Commission in the past two years (2017 and 2018) were 767 and 756 respectively.

In order to protect the confidentiality of investigation work, the Commission would not normally reveal the nature of cases involved and status of its investigations. Nevertheless, the Commission will provide through its annual reports an outline of the investigations carried out by it, a summary of complaints received, and an outline of all proceedings before the Competition Tribunal.

The Commission's manpower establishments for 2017-18 and 2018-19 are 58 and 62 respectively. About half of them are professional staff involved in investigations (including handling of enquiries and complaints). The remaining staff members provide support to the operation and other functions of the Commission, for instance conducting studies, research, public engagement and advocacy, providing advice on competition matters, etc. The executive arm of the Commission is headed by a Chief Executive Officer, who is underpinned by a Senior Executive Director and three Executive Directors to oversee four divisions, namely the (1) Operations Division; (2) Legal Services Division; (3) Economics and Policy Division; and (4) Corporate Services and Public Affairs Division.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)024****(Question Serial No. 5316)**

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

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

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

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide in tabular form information on the offices set up by the Hong Kong Trade Development Council outside Hong Kong in the past 5 years, including the estimated provision for each office, the number of staff, and the estimated annual operational expenditure. Please also provide the amount of direct investment in Hong Kong made by the country or region where the office is located and the major types of investment.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 2031)

Reply:

From 2014-15 to 2018-19, the Hong Kong Trade Development Council (TDC) established 9 overseas offices. Details are tabulated as follows:

Place	Date of Establishment	Budget in 2019-20 (HK\$)
Jakarta, Indonesia	July 2014	4,468,100
Delhi, India (consultant office)	July 2014	604,000
Tel Aviv, Israel (consultant office)	May 2015	842,000
Singapore (upgraded from an information gathering centre to a full office)	June 2015	5,327,500
Seoul, Korea (upgraded from a consultant office to a full office)	April 2017	5,322,100
Manila, the Philippines (consultant office)	December 2017	653,000
Riyadh, Saudi Arabia (consultant office)	April 2018	556,000

Place	Date of Establishment	Budget in 2019-20 (HK\$)
Almaty, Kazakhstan (consultant office)	June 2018	794,000
Nairobi, Kenya (consultant office)	June 2018	838,000

In 2018, the total bilateral trade between Hong Kong and Association of Southeast Asian Nations, India, Israel, Kazakhstan, Kenya, Korea and Saudi Arabia were HK\$1,069.0 billion, HK\$226.7 billion, HK\$35.6 billion, HK\$1.6 billion, HK\$1.9 billion, HK\$336.2 billion and HK\$11.9 billion respectively. To promote trade between Hong Kong and the relevant countries or regions, the above offices have been supporting TDC's promotion events and helping Hong Kong companies expand their businesses there. As regards attracting foreign direct investment to Hong Kong, it is under the purview of Invest Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)025

(Question Serial No. 6720)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the estimated expenditure and works programme of the new item “establishment of the Travel Industry Authority”? Why is the funding sought in the context of the Appropriation Bill 2019, instead of independently from the Finance Committee of the Legislative Council?

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 7018)

Reply:

The Government suggests allocating funding of \$350 million in the 2019-20 Budget for the establishment of the Travel Industry Authority (TIA). The preparatory work for establishing the TIA includes: to undertake an appointment exercise of the TIA; to formulate the governance framework and work plans for the TIA; to formulate rules and procedures on internal administration and staff recruitment; to arrange office accommodation, etc. Furthermore, upon establishment, the TIA will take forward various preparatory tasks in phases, such as formulating subsidiary legislation, as well as rules and procedures related to licensing and regulation.

It is not a new arrangement to include in the draft Estimates funding proposals for creating commitments or increasing expenditure ceilings for approved commitment items under the General Revenue Account for scrutiny and approval by the Legislative Council (LegCo) in the context of the Appropriation Bill. The Government explained the relevant arrangements to the Finance Committee in early 2015. In this particular case, before the funding proposal was included in the draft Estimates, we have provided relevant information to the LegCo Panel on Economic Development in October 2018. We have also included the necessary provision for this proposal under the respective head and subhead of expenditure for Members' consideration.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)026

(Question Serial No. 2116)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 119 of the Budget Speech that a sum of \$353 million will be allocated to step up promotion of Hong Kong and entice visitors to experience Hong Kong's culture in different districts. It is also specifically mentioned that enhancement and improvement measures will be taken to attract tourists to Ngong Ping on Lantau Island and the Wetland Park in Tin Shui Wai. Regarding the development of various districts in Hong Kong for tourists to experience our culture, will the Government first examine the traffic and tourist-receiving capacities of a district before deciding whether it should be developed into a tourist attraction, so that any unpleasant conflict between local residents and visitors can be avoided?

Asked by: Hon CHEUNG Kwok-kwan (LegCo internal reference no.: 45)

Reply:

The Government attaches great importance to the sustainable and healthy development of the tourism industry. While we strive to bring the edges of local tourism resources into full play and promote our diverse culture with Hong Kong characteristics, with a view to drawing more high-spending overnight visitors from different source markets, and ensuring bringing benefits to the society on one hand, we would also try to minimise the impact of tourism development on the local community.

The Government will continue to maintain close contact with the Hong Kong Tourism Board (HKTB) and the tourism sector to review Hong Kong's tourist facilities and attractions, and take appropriate follow-up actions. In fact, for the promotion of district characteristics, HKTB not only fully consults relevant Government departments and travel trade, but also proactively engages the District Councils to gauge the views of the local residents, and to draw up promotional plan after taking into account the development of the supporting facilities in the districts concerned.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)027

(Question Serial No. 0734)

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

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

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise on the existing establishment of the Director of Bureau's Office, the justifications for creating 1 post and the duties of the post.

Asked by: Hon CHIANG Lai-wan (LegCo internal reference no.: 28)

Reply:

At present, the Director of Bureau's Office has an establishment of 8 posts. In 2019-20, one Executive Officer I post will be created to replace a non-civil service contract position for providing executive support.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)028

(Question Serial No. 0748)

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

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

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (1) How many resources, including the funds injected, were allocated by the Government in the past 5 financial years to support the Consumer Legal Action Fund (the Fund)? What was the financial position of the Fund in each of the past 5 years, and what was its balance as at the end of 2018?
- (2) How many cases were handled under the Fund in each of the past 5 years? Please set out the cases with brief description by category. Among these cases, how many were further followed up each year by providing legal advice, legal assistance or legal representation by a solicitor and a counsel? Were there any cases in which applicants were financially supported and what was the amount involved in each case? Please tabulate the above information.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 3)

Reply:

The Consumer Legal Action Fund (the Fund) is a trust fund set up with the objective to provide legal assistance to consumers in cases involving significant public interest. The Consumer Council (the Council) is the trustee of the Fund. The Board of Administrators of the Fund is responsible for the overall administration of the Fund, and it approves or rejects applications based on the recommendations of the Management Committee of the Fund.

In considering applications to the Fund, factors for consideration include whether significant consumer interest and injustice are involved, the number of consumers affected, the chance of success in litigation, and whether there would be deterrent effect on unscrupulous business practices. Legal assistance may be in the form of advice, assistance and representation by solicitor and counsel. The Fund does not provide direct monetary support to the assisted consumers.

From 2013-14 to 2017-18, the expenditure of the Fund each year and the balance of the Fund were as follows:

	2013-14	2014-15	2015-16	2016-17	2017-18
Expenditure	\$2,450,801	\$2,895,859	\$2,937,877	\$2,465,604	\$1,841,757
Year-end Balance of the Fund	\$15,743,029	\$13,921,645	\$11,285,384	\$8,942,136	\$7,203,085

The Government injected \$10 million to the Fund in 2018-19 to support the operation of the Fund, ensuring that the Fund has sufficient resources to assist consumers in need in cases involving significant consumer interest. As at 31 December 2018, the balance of the Fund (unaudited) was \$16.65 million.

From 2013-14 to 2017-18, the number of applications received by the Management Committee of the Fund, brief descriptions of the nature of newly assisted applications and the monetary amount involved, etc., are set out in the table below.

Applications received and newly assisted applications

Year	Number of applications received	Number of newly assisted cases	Nature of newly assisted cases#	Amounts in dispute (not including interests and costs)
2017-18	13	4	Beauty services agreement (1)	\$280,000.00
			Beauty services agreement (1)	\$14,000.00
			Beauty services agreement (1)	\$4,800.00
			Beauty services agreement (1)	\$677,205.36
2016-17	16	1	Money lender and loan broker (1)	\$428,400.00
2015-16	9	2	Property management services * (1)	Not applicable
			Beauty services agreement (1)	\$78,899.50
2014-15	21	10	Dental services (8)	\$124,054.35
			Personal injuries (1)	\$289,652.00
			Home renovation services (1)	\$245,000.00
2013-14	23	3	Timeshare scheme (1)	\$1,092,000.00
			Financial products (1)	\$289,652.00
			Property management services * (1)	Not applicable
Total	82	20		\$3,523,663.21

Note

* refer to assisted consumer(s) who sought court declaration and specific performance.

The number in bracket refers to the number of assisted cases involved.

Detailed information of assisted cases are set out in the annual reports of the Council. The annual reports have been uploaded to the Council's website.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)029

(Question Serial No. 0749)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the following information:

1. Number of applications received and approved by the Government for redevelopment or wholesale conversion of industrial buildings into hotels in each of the past 3 years; the location of the relevant cases approved; the plot ratio of the projects involved; the gross floor area and the number of hotel rooms;
2. Number of additional hotels of various ratings and rooms each year between 2017 and 2020, their locations, as well as the total number of hotels and rooms across the districts;
3. The monthly average occupancy rates of hotel rooms in Hong Kong in the past 3 years;
4. Number of visitor arrivals under the Individual Visit Scheme and through inbound Mainland tour groups, and the changes in their percentages among the total Mainland visitor arrivals in the past 3 years;
5. Number of overnight visitor arrivals under the Individual Visit Scheme and through inbound Mainland tour groups, and the changes in their percentages among the total Mainland overnight visitor arrivals in the past 3 years;
6. The respective percentages of visitors from the Mainland and other overseas regions or countries among the overnight visitor arrivals in the past 3 years.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 4)

Reply:

To incentivise the revitalization of industrial buildings (IBs) for non-industrial purposes, the Government introduced a time-limited scheme between April 2010 and March 2016 to facilitate the wholesale conversion or redevelopment of IBs.

According to the information provided by the Lands Department, between 1 January 2016 and 31 December 2018, 2 lease modification applications for hotel development were executed. Brief summary of the 2 cases are set out in the table below:

Item	Lot No. & Location	User	Execution date of land document	Maximum Permissible GFA (sq.m.)	Estimated No. of Hotel Rooms (under relevant planning application or development proposal)
1	NKIL 4854 210-212 Choi Hung Road and 15-17 Ng Fong Street, San Po Kong	Hotel	14 March 2017	15 797	483
2	KIL 7778 103-105 Tung Chau Street, Tai Kok Tsui	Non-residential	16 January 2018	4 638	195

Between 1 January 2016 and 31 December 2018, 2 special waiver applications for wholesale conversion of IBs for hotel purpose were executed. Brief summary of the 2 cases are set out in the table below:

Item	Lot No. & Location	User	Execution date of land document	Maximum Permissible GFA (sq.m.)	Estimated No. of Hotel Rooms (under relevant planning application or development proposal)
1	KTIL 577 101 Wai Yip Street, Kwun Tong, Kowloon	Hotel	11 April 2016	3 511	95
2	KTIL 65 69/71 King Yip Street, Kwun Tong, Kowloon	Hotel	6 June 2018	11 145	257

Besides, 2 special waiver applications for wholesale conversion of IBs for hotel purpose approved between 1 January 2016 and 31 December 2018 were pending execution. These applications have not yet been completed, hence details of the applications cannot be provided at this stage.

Based on information from the Hong Kong Tourism Board (HKTB), the actual and estimated increases in the number of hotels in 2017-20, in terms of regions and categories, are as follows:

		Increase in number of hotels			
		Actual increment		Estimated increment	
		2017	2018	2019	2020
Hong Kong Island		+ 3	+ 4	+ 7	+ 2
Category:	High tariff A hotels	-	-	*	
	High tariff B hotels	+ 4	-		
	Medium tariff hotels	-	+ 3		
	Unclassified hotels	- 1	+ 1		
Kowloon		+ 6	+ 7	+ 17	+ 3
Category:	High tariff A hotels	+ 1	-	*	
	High tariff B hotels	+ 1	+ 1		
	Medium tariff hotels	+ 1	-		
	Unclassified hotels	+ 3	+ 6		
New Territories and Islands		+ 5	+ 3	+ 4	+ 2
Category:	High tariff A hotels	-	-	*	
	High tariff B hotels	+ 1	-		
	Medium tariff hotels	+ 4	+ 2		
	Unclassified hotels	-	+ 1		
Total		+ 14	+ 14	+ 28	+ 7
Category:	High tariff A hotels	+ 1	-	*	
	High tariff B hotels	+ 6	+ 1		
	Medium tariff hotels	+ 5	+ 5		
	Unclassified hotels	+ 2	+ 8		

- Unchanged

* Regarding hotel information for 2019 and 2020, these hotels have not been categorised as they are not yet opened for business.

Based on information from HKTB, the actual and estimated increases in the number of hotel rooms in 2017-20, in terms of regions and categories, are as follows:

		Increase in number of hotel rooms			
		Actual increment		Estimated increment	
		2017	2018	2019	2020
Hong Kong Island		+ 772	+1 066	+1 265	+ 391
Category:	High tariff A hotels	-	+ 226	*	
	High tariff B hotels	+ 915	+ 497		
	Medium tariff hotels	- 703	+ 196		
	Unclassified hotels	+ 560	+ 147		
Kowloon		+1 360	+ 636	+2 683	+ 657
Category:	High tariff A hotels	+ 544	- 55	*	
	High tariff B hotels	+ 340	+ 98		
	Medium tariff hotels	+ 314	+ 243		
	Unclassified hotels	+ 162	+ 350		
New Territories and Islands		+1 935	+ 828	+1 519	+1 930
Category:	High tariff A hotels	-	+ 35	*	
	High tariff B hotels	+ 749	-		
	Medium tariff hotels	+ 1 186	+ 753		
	Unclassified hotels	-	+ 40		
Total		+4 067	+2 530	+5 467	+2 978
Category:	High tariff A hotels	+ 544	+ 206	*	
	High tariff B hotels	+ 2 004	+ 595		
	Medium tariff hotels	+ 797	+ 1 192		
	Unclassified hotels	+ 722	+ 537		

- Unchanged

* Regarding hotel information for 2019 and 2020, these hotels have not been categorised as they are not yet opened for business.

Based on information from HKTB, the actual and estimated numbers of hotels in 2017-20, in terms of regions and categories, are as follows:

		Number of hotels			
		Actual		Estimated	
		2017	2018	2019	2020
Hong Kong Island		123	127	134	136
Category:	High tariff A hotels	14	14	*	
	High tariff B hotels	50	50		
	Medium tariff hotels	43	46		
	Unclassified hotels	16	17		
Kowloon		116	123	140	143
Category:	High tariff A hotels	20	20	*	
	High tariff B hotels	40	41		
	Medium tariff hotels	48	48		
	Unclassified hotels	8	14		
New Territories and Islands		38	41	45	47
Category:	High tariff A hotels	2	2	*	
	High tariff B hotels	11	11		
	Medium tariff hotels	24	26		
	Unclassified hotels	1	2		
Total		277	291	319	326
Category:	High tariff A hotels	36	36	*	
	High tariff B hotels	101	102		
	Medium tariff hotels	115	120		
	Unclassified hotels	25	33		

* Regarding hotel information for 2019 and 2020, these hotels have not been categorised as they are not yet opened for business.

Based on information from HKTB, the actual and estimated numbers of hotel rooms in 2017-20, in terms of regions and categories, are as follows:

		Number of hotel rooms			
		Actual		Estimated	
		2017	2018	2019	2020
Hong Kong Island		26 017	27 083	28 348	28 739
Category:	High tariff A hotels	7 221	7 447	*	
	High tariff B hotels	11 015	11 512		
	Medium tariff hotels	6 084	6 280		
	Unclassified hotels	1 697	1 844		
Kowloon		33 779	34 415	37 098	37 755
Category:	High tariff A hotels	9 907	9 852	*	
	High tariff B hotels	12 665	12 763		
	Medium tariff hotels	7 348	7 591		
	Unclassified hotels	3 859	4 209		
New Territories and Islands		19 139	19 967	21 486	23 416
Category:	High tariff A hotels	1 505	1 540	*	
	High tariff B hotels	6 592	6 592		
	Medium tariff hotels	11 034	11 787		
	Unclassified hotels	8	48		
Total		78 935	81 465	86 932	89 910
Category:	High tariff A hotels	18 633	18 839	*	
	High tariff B hotels	30 272	30 867		
	Medium tariff hotels	24 466	25 658		
	Unclassified hotels	5 564	6 101		

* Regarding hotel information for 2019 and 2020, these hotels have not been categorised as they are not yet opened for business.

Based on information from HKTB, the monthly average occupancy rates of hotel rooms in Hong Kong over the past three years are as follows:

	Monthly average hotel room occupancy rate (%)		
	2016	2017	2018
Jan	86	87	92
Feb	78	87	90
Mar	84	90	93
Apr	88	89	92
May	82	84	88
Jun	84	87	90
Jul	88	90	91
Aug	90	91	94
Sep	87	87	86
Oct	91	92	92
Nov	94	95	95
Dec	92	92	94 [^]

[^] It is only a preliminary figure and is subject to revision upon the availability of more data.

According to the statistics provided by the Immigration Department, the numbers of Mainland visitor arrivals from 2016 to 2018 are as follows:

	Mainland visitors travelling under the Individual Visit Scheme	
	Arrival (Million) (Rate of change)	Proportion among overall visitor arrivals (Change)
2016	24.22 (-13.3%)	42.8 (-4.4 percentage points)
2017	25.38 (+4.8%)	43.4 (+0.6 percentage point)
2018	31.30 (+23.3%)	48.0 (+4.6 percentage points)

	Mainland overnight visitors travelling under the Individual Visit Scheme	
	Arrival (Million) (Rate of change)	Proportion among overall overnight visitor arrivals (Change)
2016	8.86 (-5.1%)	33.4 (-1.6 percentage points)
2017	9.46 (+6.7%)	33.9 (+0.5 percentage point)
2018	10.68 (+12.9%)	36.5 (+2.6 percentage points)

According to the information of the Travel Industry Council of Hong Kong (TIC), the numbers of Mainland inbound tour groups that travel agents registered with the TIC and the visitor arrivals involved are as follows:

	Number of Mainland inbound tour groups registered with TIC (Rate of change)	Visitor arrivals involved (Rate of change)
2016	58 995 (-50.5%)	1 523 202 (-49.7%)
2017	75 701 (+28.3%)	2 061 896 (+35.4%)
2018	73 272 (-3.2%)	2 109 597 (+2.3%)

According to the statistics provided by the Immigration Department, the proportions of Mainland and non-Mainland overnight visitors among overall overnight visitors in the past three years are as follows:

	Overnight visitor arrivals	
	The proportion of Mainland visitors (%)	The proportion of non-Mainland visitors (%)
2016	65	35
2017	66	34
2018	68	32

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)030

(Question Serial No. 0750)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

This year's Budget Speech mentioned the Government's proposal for commissioning a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong, extending the official landing page to all boundary control points, and providing free Wi-Fi service at tourist hotspots. Please provide information on the following:

1. What is the estimated amount of funding for commissioning the consultancy study on strategies and initiatives to promote smart tourism in Hong Kong? What is the manpower involved in such work?
2. What are the scope and timetable of the consultancy study?
3. What are the details of the initiative to extend the official landing page to all boundary control points? What are the timetable and estimated amount of resources for the extension?
4. Please set out tourist hotspots currently provided with free Wi-Fi service and planned to be provided with such service, and the time of provision for each hotspot in the form of a table. What is the planned amount of funding for this initiative?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 8)

Reply:

In 2019-20, we plan to commission a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong to better grasp our visitors' travel habits and enhance their travel experience through the use of technology. The estimated budget for the consultancy study is \$3 million. We will use existing manpower to support the study and no additional expenditure is required.

Our official landing page "Visit Hong Kong" will be progressively extended to other boundary ports, e.g. Lok Ma Chau Spur Line control point. The estimated expenditure in 2019-20 including promotional expense is about \$3 million.

In May 2016, the Finance Committee of the Legislative Council approved a funding commitment of \$500 million for implementing the "Wi-Fi Connected City" programme to progressively expand the coverage of free Wi-Fi services to more government and other venues. It brings convenience for the public and visitors to access the Internet at various locations at any time. As of February 2019, the number of "Wi-Fi.HK" hotspots has exceeded 23 100.

Through the "Wi-Fi Connected City" Scheme, the Office of the Government Chief Information Officer (OGCIO) and the Tourism Commission (TC) have been actively increasing Wi-Fi hotspots and enhancing the speed and stability of Internet connection at tourist spots such as Tsim Sha Tsui Promenade, Stanley Promenade, and Hong Kong Cultural Centre and museums (including the Hong Kong Space Museum and the Hong Kong Science Museum). In addition, popular tourist spots such as Ocean Park, Hong Kong Disneyland and Sik Sik Yuen Wong Tai Sin Temple have also participated in the programme to provide free "Wi-Fi.HK" hotspots. We are studying the installation of free Wi-Fi services at piers for some tourist attractions such as Ma Liu Shui Pier.

OGCIO and TC have also co-operated to establish high-speed Internet access points at some tourist hotspots. In 2018-19, we have implemented high-speed Internet access points at the Golden Bauhinia Square, Temple Street Pai Lau (near Jordan Road), the Passenger Clearance Building of the Hong Kong-Zhuhai-Macao Bridge, the Peak, and the Kowloon Visitor Centre at Tsim Sha Tsui Pier, which has an average Internet speed reaching 100Mbps. We will continue to explore other suitable tourist locations for setting up Wi-Fi services to provide convenience for visitors.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)031

(Question Serial No. 0751)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. What are the amount of manpower and public resources allocated by the Government for the Food Truck Pilot Scheme (the Scheme) each year? As the Scheme will be extended for another 2 years, what are the expenditure and manpower involved?
2. Please tabulate the business turnover, costs and expenses, as well as the net profit/loss of each food truck in each of the past 2 years since the Scheme was launched in February 2017, and state the reasons for such performance.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 11)

Reply:

The Tourism Commission (TC) set up a Food Truck Office in April 2016 to implement the Food Truck Pilot Scheme (the Scheme) and provide one-stop services to food truck operators. The Office is composed of six civil service posts of 36 months, which are one Chief Executive Officer, one Senior Executive Officer, one Superintendent of Environmental Health, one Senior Health Inspector, one Health Inspector and one Assistant Clerical Officer, and one Assistant Manager employed on non-civil servant contract. The Government spent a total of \$30.39 million from 2016-17 to 2018-19 for running the Scheme. The expenditure for each financial year is as follows:

Financial Year	Expenditure
2016-17	\$12.413 million
2017-18	\$8.729 million
2018-19	\$9.248 million

The Scheme is extended for two more years from 3 February 2019 and the Food Truck Office will continue implementing the Scheme. The duration of all posts will be extended for two years except for the Superintendent of Environmental Health post which will expire on 31 March 2019. The Government has earmarked \$11.472 million in total in 2019-20 and 2020-21 for running the Scheme during the extension period. The estimated expenditure for the two financial years is as follows:

Financial Year	Estimated Expenditure
2019-20	\$5.736 million
2020-21	\$5.736 million

According to the statements of accounts submitted by the food truck operators, the total gross revenue of 15 food trucks was around \$40 million as at early January 2019. Details are shown in the table below:

Gross revenue (up to early January 2019)	Number of food trucks
Between \$4 million and \$4.5 million	Two
Between \$3.5 million and \$4 million	One
Between \$3 million and \$3.5 million	Three
Between \$2.5 million and \$3 million	Four
Between \$2 million and \$2.5 million	One
Between \$1.5 million and \$2 million	Three
Below \$1.5 million	One (The food truck commenced business in December 2017)

TC does not keep information on the operating cost of each food truck and thus is not able to comment on their profit or loss.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)032

(Question Serial No. 0875)

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

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

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Last year, the Consumer Council (the Council) set up online subscription portal of "CHOICE" Magazine and develop the mobile version of Online Price Watch. Please advise on:

- (1) the subscription response to the online subscription portal of "CHOICE" Magazine, the amount of resources allocated by the Council to the promotion of the portal over the past two years, and the effectiveness of the promotion work implemented last year;
- (2) the subscription fees currently charged for the online magazine and the price-setting criteria; whether the authorities concerned and the Council have reviewed the pricing and promotion strategies; if yes, the preliminary conclusions; if not, the reasons for that; and
- (3) the amount of provision and manpower involved in developing the mobile version of Online Price Watch last year, as well as the public utilisation rate of the application as far as the Council knows. It has been reported that some stakeholders are concerned about the inadequacy of the system, which covers only about 2 000 products, and the poor compatibility of its interface design with mobile application. In this regard, will the Council and the authorities concerned review and enhance the system?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 9)

Reply:

The online platform of the "CHOICE" Magazine was launched in 2004, with around 300 subscribers at the time. Apart from subscription, the online platform also allows consumers to purchase the Magazine on a per-issue or per-article basis according to their

needs. The total annual online sales transactions, inclusive of one-year and two-year subscriptions, as well as issue-based and article-based sales, grew from approximately 3,700 from the beginning to over 20,000 in recent years. Since September 2016, the online platform has launched a trial offer where new subscribers can enjoy a three-month subscription for only \$28. In recent years, the number of subscribers to the online version of the “CHOICE” Magazine has increased to close to 2,000. To facilitate subscription, the Consumer Council (the Council) revamped the online platform of the “CHOICE” Magazine in 2018-19 with a capital expenditure of \$1 million. The new subscription website of the “CHOICE” Magazine was launched in March 2019.

In 2016-17 and 2017-18, the Council’s budgets for promoting the “CHOICE” Magazine (including print and online versions) were \$0.8 million and \$0.7 million respectively, which were mainly used for the exhibition expenses at the Hong Kong Book Fair and production of subscription gifts etc. Promoting the “CHOICE” Magazine at the Hong Kong Book Fair is a major way for the Council to attract new subscriptions. On the other hand, promoting the “CHOICE” Magazine through social media is useful for attracting new readers, in particular groups who prefer accessing information online. Therefore, the Council added new interactive mini games on the “CHOICE” Facebook page at the book fair in 2017 to attract consumers to play and become subscribers to the “CHOICE” Magazine.

Currently, there are sizable free contents available at the online “CHOICE” Magazine, while paid contents are also available for subscription or sale by article. The price of the online version of the “CHOICE” Magazine is the same as the print version, while the price of purchasing an individual article is \$8. The Council will continue to review the pricing and promotional strategy of the online version of the “CHOICE” Magazine.

The Council launched the “Online Price Watch” in 2008. The current website compares the prices of about 2,300 products sold at the online shops of six chain supermarkets and health and beauty stores on a daily basis. The “Online Price Watch” has enhanced the products’ price transparency, assisting consumers to make smart consumption choices. In 2018, the average numbers of monthly unique visitors, visits and pageviews of the “Online Price Watch” were around 57,700, 209,100 and 478,800 respectively.

In 2018-19, the Council started the development of a mobile-friendly version of the “Online Price Watch” website, which will be optimised for mobile devices. The capital expenditure involved is \$0.38 million, and an information technology (IT) technical staff provides support to this and other IT development projects. The mobile version of the “Online Price Watch” website is expected to be launched in June 2019, and will be made available for free browsing by the public. At the same time, the Council has been gradually increasing the number and variety of products covered by the “Online Price Watch”. After completing the development of the mobile version website, the Council plans to update the desktop version website, aligning the browsing experience between the desktop and mobile versions. The new desktop version of the “Online Price Watch” is expected to be launched in March 2020.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)033

(Question Serial No. 0880)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the following information and data:

1. The utilisation of the Kai Tak Cruise Terminal (KTCT), including the number of ship calls and the percentage of leased venues in the terminal building in each of the past 3 years;
2. Please tabulate the resources allocated by the Government, including the manpower and amount of public money, as well as their rates of increase, for monitoring the operation of the KTCT and working closely with the Advisory Committee on Cruise Industry to develop Hong Kong into a leading cruise hub in the region in each of the past 3 years;
3. What is the latest progress of the Government's plan of developing the Kai Tak Tourism Node into a world-class tourism, entertainment and leisure attraction? What are the future development timetable and the estimated public expenditure incurred?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 10)

Reply:

The numbers of ship calls at Kai Tak Cruise Terminal (KTCT) in the past 3 years are tabulated below –

Year	Number of ship calls
2016	95
2017	186
2018	170

The usage situations of the ancillary commercial areas of the KTCT in the past 3 years are tabulated below-

Year (As at March)	Occupied floor area as a percentage of the ancillary commercial areas	Number of merchants occupying the commercial areas
2017	93%	6
2018	100%	7
2019	100%	7

Note: one merchant has ceased operation due to its own operational issues.

The Government has been closely monitoring the operation of the KTCT through the KTCT Management Committee formed by relevant Government departments and the terminal operator, day-to-day meetings, site visits, work reports, correspondence and discussions, etc. We will also arrange staff to perform inspections at the KTCT during special operations (e.g. simultaneous berthing of two cruise ships, inclement weather, and during large-scale events) or when necessary. The inspections cover the transportation area, passenger clearance facilities, plant rooms and passenger waiting halls to ensure the smooth operation of the KTCT.

Besides, Tourism Commission (TC) has been, through the Advisory Committee on Cruise Industry (ACCI), exploring ways to facilitate Hong Kong's development into a leading cruise hub in the region. Having considered the views from the ACCI and other stakeholders, TC published the "*Strategic Directions and Initiatives for Cruise Tourism Development in Hong Kong*" in April 2018, so as to seize the opportunities brought about by the growth in the international cruise tourism market, and to ensure the balanced, healthy and sustainable development of cruise tourism in Hong Kong.

The manpower and expenditure involved for carrying out the work above have been subsumed into the allocation for the Commerce, Industry and Tourism Branch of this Bureau and therefore cannot be quantified separately.

The Kai Tak Tourism Node site is included in the 2019-20 Land Sale Programme, and the Government will arrange land sale based on the planning intention of the site under the Kai Tak Outline Zoning Plan. The site will be developed by the private sector, and no public expenditure on the development is anticipated.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)034

(Question Serial No. 1129)

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

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

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

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise the following in respect of the Hong Kong Trade Development Council (HKTDC) for the past 3 years:

1. the number of "trade promotion events" and "local fairs" organised annually;
2. the respective numbers of local fairs held at the Hong Kong Convention and Exhibition Centre (HKCEC) in Wan Chai and AsiaWorld-Expo (AWE);
3. the ratio of local, Mainland and overseas exhibitors participating in local fairs;
4. the annual expenditure on organising local fairs and the percentage against HKTDC's overall expenditure;
5. the annual income generated from organising local fairs and the percentage against HKTDC's overall income; and
6. regarding promotion of Hong Kong as a commercial hub for the Belt and Road (B&R) Initiative, the specific activities and work, as well as the resources and manpower involved, and the specific work plan for the coming year.

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 7)

Reply:

The following table shows the figures related to trade and services promotion events and exhibitions organised by the Hong Kong Trade Development Council (TDC) in 2015-16, 2016-17 and 2017-18:

	2015-16	2016-17	2017-18
Trade and services promotion events	804	844	883
Venue of local fairs			
Hong Kong Convention and Exhibition Centre	31	32	33
AsiaWorld-Expo	4	5	4
Total number of local fairs	35	37	37
Percentages of exhibitors of local fairs			
Local exhibitors	37%	34%	31%
Other exhibitors	63%	66%	69%
Total	100%	100%	100%
Exhibitions and missions*			
Expenditure	\$1.295 billion	\$1.284 billion	\$1.286 billion
As a percentage of TDC's total expenditure	47%	47%	47%
Income			
Income	\$1.909 billion	\$1.942 billion	\$1.960 billion
As a percentage of TDC's total income	69%	70%	69%

* Expenditure and income above include those for all exhibitions and missions, etc. Expenditure and income for local fairs cannot be quantified separately.

TDC organised a variety of events to help Hong Kong companies tap opportunities under the Belt and Road Initiative. Among them, to establish Hong Kong as the information hub of the Belt and Road Initiative, TDC launched the *Belt and Road Portal* in December 2015. Furthermore, since 2016, the Government and TDC have organised the *Belt and Road Summit* every year. The third Summit held last year attracted about 5 000 government officials and business leaders from 55 countries and regions, with over 230 investment projects featured and over 520 one-to-one business matching meetings arranged. To help consolidate Hong Kong's market status and its role as the commercial hub of the Belt and Road Initiative, TDC set up the Belt and Road Committee in 2017. Through its six working groups targeted at different markets and business sectors, the Committee implemented a comprehensive programme for facilitating the participation of various sectors in Belt and Road development so that they could share the potential benefits brought about by the Initiative. In June 2018, TDC set up the *Belt and Road International Forum* with a membership of over 120 organisations in 29 countries and regions to strengthen exchanges. Furthermore, TDC organised various missions and large-scale campaigns in major business centres to tap opportunities along the Belt and Road.

In 2019-20, TDC will continue to promote the Belt and Road Initiative through organising various events, including co-organising the fourth *Belt and Road Summit* with the Government, which will be a two-day anchor event of the *Belt and Road Week*; continuing

expansion of the *Belt and Road Global Forum*; enriching the content of the *Belt and Road Portal*; and staging large-scale promotional events in countries along the Belt and Road to facilitate Hong Kong companies seize new opportunities, such as *Building for the Future* campaign in Indonesia which will showcase Hong Kong's strengths and expertise in infrastructure development. Furthermore, TDC will organise missions for specific sectors to the Association of Southeast Asian Nations according to the strengths of individual countries, so that Hong Kong companies can obtain a first-hand understanding of the investment environment and business opportunities.

The expenditure of the above work, which is carried out by TDC's existing staff, has been subsumed under the overall estimated expenditure of TDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)035

(Question Serial No. 1708)

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

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

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Bureau monitors the implementation of the Trade Descriptions Ordinance in tackling unfair trade practices that might be deployed in consumer transactions.

- (1) What were the numbers of investigations and prosecutions, the particulars and judgments of the cases in relation to suspected contravention of the Trade Descriptions Ordinance in the past 5 years? Please set out the information by year.
- (2) What were the details and resources allocated for the relevant education and publicity work in each of the past 5 years? What will be the situation in the coming financial year? Has the Government considered further increasing the relevant resources in order to raise the awareness of the public and the business sector?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 46)

Reply:

Statistics on the enforcement of the Trade Descriptions Ordinance (TDO) by the Customs and Excise Department (C&ED) in the past five years are as follows:

Offence	Relevant information	2014	2015	2016	2017	2018
False trade descriptions	Number of cases investigated	403	107	92	78	89
	Number of prosecution cases	28	59	36	47	34

Offence	Relevant information	2014	2015	2016	2017	2018
False trade descriptions	Number of convictions (company/individual)	32	66	40	43	42
	Fine	\$1,000 to \$152,000	\$1,000 to \$67,800	\$2,000 to \$90,000	\$500 to \$120,000	\$1,000 to \$130,000
	Imprisonment (without suspended sentence)	-	From 14 days to 3 months	2 months	6 months	6 months
	Imprisonment (with suspended sentence)	From 14 days (suspended for 18 months) to 4 months (suspended for 3 years)	From 2 months (suspended for 2 years) to 3 months (suspended for 2 years)	From 14 days (suspended for 1 year) to 8 months (suspended for 2 years)	From 2 months (suspended for 2 years) to 4 months (suspended for 2 years)	From 14 days (suspended for 1 year) to 6 months (suspended for 3 years)
	Community Service Orders	120 hours	From 120 hours to 240 hours	60 hours	From 80 hours to 200 hours	From 80 hours to 240 hours
Misleading omissions	Number of cases investigated	126	18	12	10	5
	Number of prosecution cases	5	12	6	7	10
	Number of convictions (company/individual)	4	10	8	11	7
	Fine	\$4,000 to \$25,000	\$1,000 to \$20,000	\$2,000 to \$100,000	\$4,000 to \$30,000	\$3,000 to \$5,000
	Imprisonment (without suspended sentence)	-	From 20 days to 10 weeks	From 2 weeks to 2 months	10 weeks	-
	Imprisonment (with suspended sentence)	4 months (suspended for 2 years)	From 2 months (suspended for 2 years) to 6 months (suspended for 3 years)	3 months (suspended for 2 years)	3 weeks (suspended for 2 years)	2 months (suspended for 2 years)
Community Service Orders	100 hours	120 hours	160 hours	160 hours to 240 hours	160 hours	
Aggressive commercial practices	Number of cases investigated	44	7	10	2	13
	Number of prosecution cases	2	1	3	2	0
	Number of convictions (company/individual)	0	3	1	4	0
	Fine	-	-	-	-	-

Offence	Relevant information	2014	2015	2016	2017	2018
Aggressive commercial practices	Imprisonment (without suspended sentence)	-	3 months	1 months	-	-
	Imprisonment (with suspended sentence)	-	-	-	-	-
	Community Service Orders	-	200 hours	-	From 120 hours to 200 hours	-
Bait advertising	Number of cases investigated	12	0	1	1	0
	Number of prosecution cases	0	0	1	2	0
	Number of convictions (company/individual)	0	0	0	1	2
	Fine	-	-	-	\$10,000	\$10,000
	Imprisonment (without suspended sentence)	-	-	-	-	-
	Imprisonment (with suspended sentence)	-	-	-	-	-
	Community Service Orders	-	-	-	-	180 hours
Bait and switch	Number of cases investigated	3	0	0	0	2
	Number of prosecution cases	0	0	0	0	3
	Number of convictions (company/individual)	0	0	0	0	2
	Fine	-	-	-	-	\$5,000
	Imprisonment (without suspended sentence)	-	-	-	-	-
	Imprisonment (with suspended sentence)	-	-	-	-	-
	Community Service Orders	-	-	-	-	120 hours
Wrongly accepting payment	Number of cases investigated	58	3	10	9	16

Offence	Relevant information	2014	2015	2016	2017	2018
Wrongly accepting payment	Number of prosecution cases	0	1	1	2	5
	Number of convictions (company/individual)	0	0	0	3	4
	Fine	-	-	-	\$48,000	\$24,000 to \$40,000
	Imprisonment (without suspended sentence)	-	-	-	6 months	-
	Imprisonment (with suspended sentence)	-	-	-	-	14 days (suspended for 1 year)
	Community Service Orders	-	-	-	100 hours	-
Other offences under TDO ^	Number of cases investigated	55	33	19	8	17
	Number of prosecution cases	39	39	24	14	14
	Number of convictions (company/individual)	40	46	22	16	15
	Fine	\$1,000 to \$25,000	\$1,000 to \$30,000	\$1,000 to \$16,800	\$1,000 to \$16,500	\$1,000 to \$10,500
	Imprisonment (without suspended sentence)	-	-	-	-	-
	Imprisonment (with suspended sentence)	-	-	-	-	-
Other offences under TDO ^	Community Service Orders	-	-	-	-	-

^ Such as sections 4 and 12 of TDO.

C&ED will continue to actively enforce the TDO by adopting a three-pronged approach, including enforcement, compliance promotion as well as education and publicity, in order to protect consumers' interests by combating common unfair trade practices at source.

On enforcement, C&ED has taken active steps to handle complaints by conducting in-depth investigations and collecting evidence, as well as taking appropriate enforcement actions on the basis of the facts and evidence of individual cases. In addition, C&ED also carries out proactive inspections, including undercover ones, against high risk products and shops with repeated complaints.

On compliance promotion, C&ED has so far held more than 220 seminars for various industries to help enhance practitioners' understanding of the TDO, remind them of the importance of complying with the TDO, and urge the management to take appropriate measures to avoid unscrupulous trade practices.

On public education, C&ED will continue the collaboration with the Consumer Council (the Council) to promote the message of "smart consumption" to the general public through various media.

In 2019-20, C&ED will strengthen the above work, including taking the initiative to convene meetings with the management and representatives among different industries with a view to reminding them of the importance to comply with the fair trading provisions and supervisory responsibilities. Furthermore, C&ED will upload to its website the common modus operandi employed by unscrupulous traders, and results and details of compliance or enforcement cases. To serve as a deterrent, C&ED will publicise through the media details and sentences of cases involving unfair trade practices so as to remind unscrupulous traders of the serious consequences for violation of the TDO.

The expenditure involved in compliance promotion and public education has been subsumed within the Department's provisions, it is difficult to quantify such expenditure separately.

On the other hand, the Council conducts a wide range of publicity and education through various channels to promote "smart consumption". The "CHOICE" Magazine published by the Council often includes TDO-related articles covering different topics, giving alerts and suggestions to consumers. The Council also responds to questions related to the TDO at its monthly press conference of the "CHOICE" Magazine" and provides analysis of the complaint cases on the TDO at its year ender to serve as a reminder to consumers. In response to the needs of the under-privileged groups, the Council also organises community talks on the TDO in collaboration with social and community services organisations from time to time to help participants understand consumption issues related to them using case sharing, as well as providing relevant alerts and suggestions, and to remind the under-privileged groups and their families ways to uphold their rights and to seek help from law enforcement agencies when necessary. In 2019-20, the Council will continue to strengthen the above work.

The manpower and expenditures of the Council on publicity and education work related to the TDO have been subsumed in the Council's establishment and recurrent subvention provided to the Council by the Government. It is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)036

(Question Serial No. 3060)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the plan in collaboration with the Hong Kong Tourism Board and relevant parties to stage the enhanced "A Symphony of Lights", please advise on:

- (a) the breakdown on manpower and expenditure of "A Symphony of Lights" in the past 3 years.
- (b) the electricity consumption and electricity cost of "A Symphony of Lights" in the past 3 years.

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 1032)

Reply:

In 2017-18, the Government provided an additional funding of \$100 million to the Hong Kong Tourism Board (HKTb) for launching light shows and updating "A Symphony of Lights" (SoL) for three consecutive years (from 2017-18 to 2019-20) with a view to providing visitors with a new experience. The staffing for the project is absorbed by the existing establishment of HKTb, and it is difficult to quantify separately.

The electricity consumed in SoL is arranged by the participating buildings. We do not have the consumption figures. In promoting tourism development in Hong Kong, we also attach importance to and support environmental protection. SoL was implemented under the principles of environmental protection and energy conservation. The lighting installations used by participating buildings are generally energy efficient.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)037

(Question Serial No. 5000)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 22 of Programme (6) that the Government has “continued to work with the TIC [Travel Industry Council of Hong Kong] on the regulation of travel agents, tourist guides and tour escorts under the existing regulatory framework of the travel industry”. Please provide a breakdown, by District Council district, of the numbers of inbound tours from Mainland China registered with the TIC and inbound tourists involved for each of the past 3 years; and the total number of inbound tours and inbound tourists from Mainland China in all districts for each of the past 3 years.

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 2031)

Reply:

At present, the Travel Industry Council of Hong Kong (TIC), which is responsible for trade regulation, issues clear guidelines requiring that travel agents in Hong Kong must, whenever receiving any Mainland inbound tour group, register with the TIC and provide information about the tour group in advance. The total numbers of Mainland inbound tour groups registered by travel agents with the TIC in 2016, 2017 and 2018 were 58 995, 75 701 and 73 272 respectively, involving about 1.52 million, 2.06 million and 2.11 million tour group members respectively. The TIC does not maintain other statistics as mentioned in the question.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)038

(Question Serial No. 5390)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will enhance the capability of the Ngong Ping Nature Centre in providing hiking information for visitors, improve the facilities of country trails in the vicinity, and commission a consultancy study for enhancing the facilities of the Hong Kong Wetland Park. Would the Government please advise on the following:

1. the cost incurred in relation to the capability of the Ngong Ping Nature Centre in providing hiking information for visitors;
2. the details and cost of improving the facilities of country trails in the vicinity of Ngong Ping; and
3. the cost of commissioning a consultancy study for enhancing the facilities of the Hong Kong Wetland Park.

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 515)

Reply:

The Government has earmarked \$9 million from 2019-20 to 2022-23 for enhancing the facilities of the Ngong Ping Nature Centre by providing interactive display panels and more comprehensive information on the nearby hiking trails. We will also enhance the guided tour service for in-depth visit of the distinctive hiking routes in order to enrich visitors' experience in visiting the green attractions in the vicinity. The above will complement the improvement scheme of the hiking trails near the Ngong Ping Nature Centre. Such improvement works include improving a section of the Nei Lak Shan Country Trail and Lantau Trail; enhancing information boards; expanding an existing viewing platform and constructing three additional viewing platforms for visitors to look at the Tian Tan Big Buddha, Hong Kong-Zhuhai-Macao Bridge, Hong Kong International Airport and nearby scenery. We are formulating the design of the viewing platforms. The estimated cost of the

works will be available upon completion of the detailed design. It is anticipated that the relevant works will commence in end 2019.

The Agriculture, Fisheries and Conservation Department will commission a consultancy study to review the exhibition and visitor facilities of the Hong Kong Wetland Park. The estimated cost of the consultancy study is \$5 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)039

(Question Serial No. 0008)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this Programme that the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) continued to oversee the implementation of various measures to promote Hong Kong as a premier intellectual property (IP) trading hub in the Asia-Pacific region, and amended the law to expand the scope of profits tax deductions for capital expenditure incurred by enterprises for the purchase of IP rights from 5 types to 8 types with effect from the year of assessment 2018/19. Please advise this Committee of the progress and achievements of the work on promoting IP trading in the past year. What was the expenditure involved? What is the amount of resources earmarked for promoting the development of IP trading in 2019-20 and what are the work plan and timetable for the promotion efforts?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 2)

Reply:

The Government has been actively working in collaboration with stakeholders on the implementation of various measures to promote IP commercialisation and IP trading in Hong Kong, and to strengthen Hong Kong's role as an IP trading hub in the Asia-Pacific region. Latest progress of the measures is as follows:

- the Government introduced the Inland Revenue (Amendment) (No. 5) Ordinance 2018 into the Legislative Council (LegCo), which sought to expand the scope of profits tax deductions for capital expenditure incurred for the purchase of IP rights from five types to eight¹. The Ordinance was passed by LegCo on 20 June 2018 and, came into operation on 29 June 2018 ;
- the Government has been co-organising the Business of IP Asia Forum with the Hong Kong Trade Development Council and the Hong Kong Design Centre since 2013. The 2018 Forum attracted over 2 600 participants from 28 countries and regions. The 2019 Forum will be held on 5-6 December 2019;
- the Intellectual Property Department (IPD) has launched the IP Manager Scheme for small and medium enterprises (SMEs) since May 2015 with a view to increasing their knowledge on IP and its commercialisation. IPD has, up to February 2019, organised eight training programmes attended by more than 1 500 participants from over 1 200 enterprises. IPD also launched in April 2016 the “IP Manager Practical Workshop” for those who have taken part in these training programmes. IPD has, up to February 2019, run thirteen workshops attended by over 400 participants. IPD will continue to run the Scheme;
- IPD has officially launched the free IP Consultation Services Scheme for SMEs since September 2016. IPD has completed over 210 consultation sessions up to February 2019. IPD will continue to promote the relevant service;
- IPD commissioned a Survey on Manpower in IP Trading and Management in 2017 to collect information on the current landscape of the workforce engaged in IP intermediary services and IP trading/management activities in Hong Kong, the types of services engaged by the relevant industry groups, the job level spread and the market demand for the personnel involved. The summary of survey results was released on 28 December 2018;
- in June 2018, IPD in collaboration with the IP offices of Mexico and Korea, hosted a two-day workshop on “Promoting Best Practices in Licensing for Creative Industries” in Hong Kong, as an initiative of the Asia-Pacific Economic Cooperation (APEC) IP Expert Group for SMEs in APEC economies (especially SMEs in the creative industries). The event was well-received and attended by some 250 participants comprising SMEs, professional practitioners and government officials from various APEC economies; and
- in November 2018, IPD in collaboration with the IP authorities in Guangdong, produced a series of videos featuring success stories on IP commercialisation (patents and copyright) by Hong Kong enterprises in the Greater Bay Area, with a view to promoting IP trading and awareness of the IP business opportunities in the area.

¹ The types of IP rights newly added to the regime are layout-design of integrated circuits, plant variety rights and rights in performance. Before the legislative amendment, capital expenditure on prescribed IP rights are deductible under specific provisions of the Inland Revenue Ordinance (Cap. 112). The relevant expenditure include purchase cost of copyright, registered designs, registered trade marks, patent rights and rights to know-how. Of the above IP rights, copyright, registered designs and registered trade marks were categories added in 2011.

Among the above measures, some of them are Government's regular work and hence have been and will continue to be carried out with existing resources. As regards individual new measures launched in recent years (such as the provision of support services to SMEs, manpower capacity training, and publicity work), IPD's recurrent provision has been increased by \$5.4 million as from 2018-19, so that the Department may plan for the relevant work and take forward promotion of IP trading in an on-going manner.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)040

(Question Serial No. 0009)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The matters requiring special attention in 2019-20 under this Programme of the Commerce, Industry and Tourism Branch include strengthening efforts to promote the business advantages of Hong Kong in the Mainland, Taiwan and overseas, including the economies along the Belt and Road, as well as to attract more multinational companies to set up regional or global operations in Hong Kong. Please advise this Committee of the effectiveness of the relevant work in 2018-19 and the expenditure involved. What are the new plans or specific measures, work objectives or anticipated results and the expenditure to be involved for such work in 2019-20?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 3)

Reply:

Invest Hong Kong (“InvestHK”) under the Commerce, Industry and Tourism Branch completed a total of 436 investment projects in 2018. In 2019-20, InvestHK will conduct marketing campaigns, seminars and investment promotion visits to attract and assist more companies from the Mainland, Taiwan and emerging markets including those along the Belt and Road, to set up or expand their business operations in Hong Kong, so as to tap on the business opportunities arising from the Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay Area development.

For the Mainland market, InvestHK will continue to collaborate with Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to go global. In 2019-20, InvestHK plans to organise investment promotion activities in various Mainland cities such as Beijing, Changsha, Chengdu, Chongqing, Guangzhou, Hefei, Kuming, Nanjing, Shanghai, Xiamen and Zhengzhou, etc.

As regards the Taiwan market, InvestHK will continue to reach out to a wide spectrum of Taiwan companies to provide them with the necessary support in setting up or expanding their operations in Hong Kong. InvestHK will maintain its close partnership with the Taiwan business community and conduct investment promotion visits to various Taiwan cities.

InvestHK also plans to conduct a series of investment promotion visits to target overseas markets, including Europe, India, the Middle East, Southeast Asia, the United Kingdom and the United States, to underline Hong Kong's business advantages and to attract more companies to set up businesses in Hong Kong. InvestHK will also maintain liaison with consulates and chambers of commerce to connect with those overseas companies that have set up in Hong Kong to facilitate their business expansion.

InvestHK's estimated actual expenditure incurred in 2018-19 and the estimated expenditure in 2019-20 for organising the abovementioned investment promotion activities are \$44 million and \$47 million respectively. These figures do not include staff cost and general marketing and promotion expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)041

(Question Serial No. 0010)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the financial and staffing provision under Programme (2) of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch), provision for 2019–20 is \$316.4 million (105.4%) higher than the revised estimate for 2018–19. This is mainly due to the increase in cash flow requirement for the SME Financing Guarantee Scheme – Special Concessionary Measures and the Professional Services Advancement Support Scheme, the increased provision to the Belt and Road Office and the Single Window Project Management Office, the increased estimate for the subscription to the World Trade Organization, as well as increase in salary and departmental expenses. Meanwhile, 23 posts will be created in 2019–20. Please inform this Committee of the details of the above increased expenditure and posts as well as the major responsibilities of the 23 posts to be increased.

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 4)

Reply:

The original estimate under Programme (2) for 2019-20 is \$316.4 million (+105.4%) higher than the revised estimate for 2018-19. The increase is mainly due to -

- Estimated increase of \$237 million in cash flow requirement for the Special Concessionary Measures under SME Financing Guarantee Scheme (SFGS). Under SFGS, the Government is required to pay sufficient amount of funds to the HKMC Insurance Limited in meeting the requirements of payments for default compensations and necessary out-of-pocket expenses, but the actual cash flow requirement under the SFGS fluctuates every year.

- Estimated increase of \$22.7 million to the Single Window Project Management Office (SWPMO) to strengthen manpower support for pressing ahead the implementation of the Trade Single Window project. The sum comprises personal emoluments required for additional posts and other related operating expenses.
- Estimated provision of \$9.1 million to enhance the support on the work related to HKSAR's participation in the China International Import Expo (CIIE). The sum comprises personal emoluments required for additional posts and other related operating expenses.
- Estimated increase of \$8.3 million for personal emoluments and \$3.2 million for Civil Service Provident Fund and Mandatory Provident Fund, arising from filling vacant posts, staff changes and to cater for the impact of pay rise.
- Estimated increase of \$6.7 million for the Belt and Road Office to take forward the work on the Belt and Road Initiative more effectively and on a sustained basis.
- Estimated provision of \$4.7 million for the newly established Economic and Trade Office Policy Division, the sum comprises personal emoluments required for additional posts and other related operating expenses.
- Estimated increase of \$3.7 million for the subscription to the World Trade Organization.
- Estimated increase of \$2.5 million in cash flow requirement for the Professional Services Advancement Support Scheme. The actual cash flow requirement depends on the number of applications approved and the amount granted. With the launch of more funded projects and our ongoing promotion work, an increase in expenditure is anticipated in 2019-20.

A total of 23 posts are planned for creation in 2019–20, with details set out below –

- 18 time-limited posts for four years in SWPMO, including 9 Analyst/Programmer Grade posts, 3 Superintendent of Customs and Excise Grade and 6 Inspector of Customs and Excise Grade posts. These new posts seek to strengthen manpower support for SWPMO to press ahead the implementation of the Trade Single Window project.
- 5 posts, including 3 Trade Officer Grade posts, 1 Executive Officer Grade post and 1 Clerical Officer Grade post, to coordinate the work related to HKSAR's participation in the CIIE.

For the purpose of preparing the 2019-20 estimates of expenditure, a total provision of \$22.358 million has been reserved for the estimated personal emoluments of the above 23 posts.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)042

(Question Serial No. 0011)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In Matters Requiring Special Attention under this Programme, the Commerce, Industry and Tourism Branch will continue to oversee efforts for seeking better market access and facilitation of trade and investment in the Mainland through the Mainland and Hong Kong Closer Economic Partnership Arrangement, and for ensuring effective implementation of measures announced. What were the results achieved and details of the work in this respect in the last financial year? What was the actual expenditure incurred? What is the new work plan for the financial year of 2019-20? What is the estimated expenditure? Will there be an increase in expenditure to strengthen the work?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 5)

Reply:

The HKSAR Government is committed to assisting Hong Kong businesses in accessing the Mainland market through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), by seeking various preferential and facilitation measures for the trade, lowering the entry threshold and relaxing the scope of services, etc. Hong Kong and the Mainland signed the Agreement on Trade in Goods under CEPA in December 2018, consolidating and updating the commitments on liberalisation and facilitation of trade in goods under CEPA, as well as enhancing the arrangement for rules of origin to provide for the full implementation of zero tariff on goods of Hong Kong origin imported into the Mainland. CEPA has now become a comprehensive free trade agreement framework, covering the four major areas of trade in goods, trade in services, investment, and economic and technical cooperation.

The HKSAR Government has reached consensus with the Mainland authorities on the working targets for the next phase of liberalisation on trade in services under CEPA, including further opening up the Mainland market to Hong Kong in trade in services; revising the schedule of commitments of the Agreement on Trade in Services by shortening the existing negative list; promoting the pilot implementation of policies and measures on further services liberalisation in sectors such as finance, education, tourism and culture in the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) under CEPA; and advancing the full liberalisation of trade in services in the Greater Bay Area.

The HKSAR Government also attaches great importance to the effective implementation of CEPA. We have been working closely with the Mainland authorities at central, provincial and municipal levels, and have made use of the established mechanisms with the Ministry of Commerce of the Central People's Government to address and follow up on problems encountered by Hong Kong enterprises in using CEPA liberalisation measures in the Mainland, including problems encountered at provincial and municipal levels. We will continue to work closely with the Mainland to assist the trade in making better use of CEPA liberalisation measures and gaining greater access to the Mainland market.

Apart from providing free information and advisory services on CEPA, the Trade and Industry Department (TID) has established a notification mechanism with the Mainland authorities to disseminate information in relation to the promulgation and updates of relevant regulations and implementation details of liberalisation measures on its CEPA website for the trade's reference.

The Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) is responsible for the overall policy on CEPA while TID oversees bilateral discussions on further new measures and implementation of liberalisation measures under CEPA, and individual bureaux and departments deal with new measures and specific implementation issues in the relevant service sectors. The expenditure of the above work has been subsumed respectively under the overall estimated expenditure of the bureaux/departments concerned. It is difficult to quantify separately. The work is being taken up by the existing manpower of relevant bureaux or departments. No increase in expenditure is required for the time being.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)043

(Question Serial No. 0012)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned under Matters Requiring Attention in 2019-20, the Commerce, Industry and Tourism Branch will continue to monitor developments on various regional economic integration initiatives and explore opportunities for Hong Kong's participation. Would you please advise what efforts were made in this area in 2018-19? What opportunities did the Government identify for Hong Kong? What was the expenditure involved? How much public funds will be spent in this area in 2019-20? What are the specific work plans and anticipated results?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 6)

Reply:

In 2018-19, the Government continued to actively pursue regional economic cooperation to strengthen trade and economic relations with our major trading partners in the region. Two main areas of work were: (1) participation in the Asia-Pacific Economic Cooperation (APEC) activities; and (2) forging free trade agreements (FTAs).

APEC

APEC's primary goal is to achieve trade and investment liberalisation and facilitation for economic cooperation and growth. Trade between Hong Kong and other APEC member economies accounts for some 80% of Hong Kong's external trade value. Participating in APEC is an ideal avenue for Hong Kong to promote collaboration with other member economies on various trade and economic issues in the region.

With regard to trade facilitation, relevant work which APEC promotes, such as simplifying customs procedures, enhancing business mobility through the APEC Business Travel Card, promoting electronic commerce etc., can help improve the region's business environment by saving business costs and time.

To further deepen regional economic integration and enhance trade and investment liberalisation, APEC member economies have commenced work on the realisation of the Free Trade Area of the Asia-Pacific (FTAAP), which includes the completion of the Collective Strategic Study. The Study has shown that the realisation of the FTAAP will reduce regional trade barriers, bringing immense opportunities to economies in the region and facilitating Hong Kong businesses, including SMEs, to further expand their business and investment in the region. With a view to realising the FTAAP, Hong Kong will participate actively in the FTAAP discussions and work, and will share our knowledge and experience with respect to our liberal trade policy.

Furthermore, APEC member economies adopted the *APEC Services Competitiveness Roadmap* in 2016, which sets out actions and goals to be attained by 2025. In this regard, Hong Kong will continue to work closely with other member economies to promote services trade and investments in the region, and to enhance the competitiveness of the services industry.

APEC member economies are also committed to attaining the Bogor Goals of free and open trade and investment by 2020. Hong Kong will continue to participate actively in the related work and assist APEC in shaping the Post-2020 vision.

Hong Kong has also been participating actively in the work of the Pacific Economic Cooperation Council (PECC) under the name of Hong Kong, China. Participants to the PECC include government officials, businessmen and academics. They help promote cooperation and economic development in the Asia-Pacific region through research and policy discussions.

In 2019-20, we will continue to participate actively in the work of regional cooperation organisations.

FTAs

So far, Hong Kong has reached agreement on nine FTAs with 21 economies, i.e. Mainland China, New Zealand, the four member states of the European Free Trade Association¹, Chile, Macao, the ten member states of the Association of Southeast Asian Nations (ASEAN)², Georgia, the Maldives and Australia.

1 The member states of the European Free Trade Association are Iceland, Liechtenstein, Norway and Switzerland.

2 The member states of ASEAN are Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

In the Policy Address announced in October 2018, the Chief Executive set out the Government's priorities in signing FTAs in future. Hong Kong is exploring an FTA with the Pacific Alliance³ and plans to seek accession to the Regional Comprehensive Economic Partnership (RCEP)⁴ after its negotiations have been completed. The Government is also exploring with the United Kingdom options for furthering economic ties, including the possibility of an FTA in future.

Forging FTAs with trading partners will not only enable Hong Kong's goods, services and investments to access these markets under more favourable conditions, but also enhance Hong Kong's participation in regional economic integration. We will make every effort to follow up on the various new FTA initiatives set out in the 2018 Policy Address, and will continue to explore possibilities of forging FTAs with other economies.

The expenditure of the above work has been subsumed under the overall estimated expenditure of the Commerce and Economic Development Bureau and the Trade and Industry Department, and cannot be quantified separately.

3 The member states of Pacific Alliance are Chile, Colombia, Mexico and Peru.

4 The participating economies of RCEP are ten member states of ASEAN and its six FTA partners, i.e. Australia, Mainland China, India, Japan, Korea and New Zealand.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)044

(Question Serial No. 0013)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2019-20 that the Commerce, Industry and Tourism Branch will “continue to maintain close communication with the Mainland authorities and assist the trade in adjusting to changes in the Mainland’s policies on processing trade”. What work has the Government done in this area in the past year? How effective was the work? How much public funds was spent? In view of the changes in the Mainland’s policies on processing trade in recent years, has the Hong Kong Government assessed the impact of such changes on Hong Kong enterprises? What specific measures will the Government introduce in the coming year to assist Hong Kong enterprises to adjust to changes in the Mainland’s policies on processing trade? What are the expenditure and manpower involved?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 7)

Reply:

In 2018-19, the Commerce, Industry and Tourism Branch assisted the trade to adjust to changes in the Mainland’s policy on processing trade through the following work:

- maintaining close dialogue with the trade through various channels, so as to understand the trade’s concerns and views; and maintaining close liaison with the Mainland authorities at various levels (including through the Mainland and Hong Kong Economic and Trade Co-operation Committee) to relay to them the trade’s views and to discuss with them support measures for the trade;
- disseminating information to Hong Kong enterprises by means of circulars and newsletters, and organising activities such as symposiums and seminars through the Trade and Industry Department (TID) and our Mainland Offices to enhance the trade’s

understanding of the Mainland's new policies, legislation and business environment. TID's website includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities. This platform facilitates Hong Kong enterprises in getting access to economic and trade information of the Mainland;

- organising promotional activities and trade fairs, providing Mainland market information and organising delegations to visit the Mainland through the Hong Kong Trade Development Council (HKTDC), with a view to enhancing the trade's understanding of Mainland policies and market development;
- with regard to financial support, assisting small and medium enterprises (SMEs) through TID's on-going funding schemes in areas such as export market promotion, acquisition of equipment, upgrading of operational and technical skills, business restructuring, etc., to assist enterprises in enhancing their competitiveness and facilitating their business development in the Mainland;
- providing loan guarantee to enterprises to help them secure loans for acquiring equipment and for general working capital, etc.;
- arranging our Mainland Offices to collaborate with trade associations and other organisations to organise promotional events in the Mainland in order to promote Hong Kong products and services, with a view to assisting Hong Kong enterprises in building up their brand image and exploring the domestic market; and
- providing platforms for Hong Kong enterprises, particularly SMEs, to showcase their products and build up greater awareness of Hong Kong brands in the Mainland through the network of Design Gallery shops in the Mainland (including physical outlets and online shops) by the HKTDC.

The Mainland authorities have responded positively to many proposals of the Government and the trade. Policies and measures on facilitating investment and business operations have been announced, including the "Policies and Measures of Guangdong Province on Further Expanding Opening-up and Actively Attracting Foreign Direct Investment (Revised Edition)" and the "Guangdong Province's Certain Measures and Policies on Lowering Enterprise Cost in Manufacturing Industry and Supporting Development of Real Economy (Revised Version)" promulgated by the People's Government of Guangdong Province on 29 August 2018 and 31 August 2018 respectively, etc.

In 2019-20, we will continue with the above work. The manpower and expenditure of the above-mentioned work have been subsumed within the establishment and provision for this Bureau and the relevant departments and organisations. It is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)045

(Question Serial No. 0014)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Matters Requiring Special Attention in 2019-20 under this Programme of the Commerce, Industry and Tourism Branch include continuing to oversee efforts to promote awareness of and respect for intellectual property (IP) rights in the community and the business sector, particularly amongst small and medium enterprises (SMEs). Please inform this Committee of the effectiveness and expenditure on the work in this regard in 2018-19. In the coming year, how many resources will the Government spend on the promotion of IP rights, particularly amongst SMEs? What are the specific work plans and the estimated expenditure?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 8)

Reply:

The Commerce, Industry and Tourism Branch is responsible for overseeing the work undertaken by the Intellectual Property Department (IPD) and the Customs and Excise Department (C&ED) in promoting IP rights (IPR).

IPD attaches great importance to the promotion and education work on enhancing the awareness of and respect for IPR. IPD has been taking forward the "No Fakes Pledge" Scheme (which encourages retail merchants to pledge not to sell counterfeit and pirated products) and the "I Pledge" Campaign (which encourages consumers not to buy or use pirated and counterfeit goods). IPD collaborates with various organisations in conducting talks, concerts, competitions and large-scale promotional events, and supports a diversified range of publicity and education activities. IPD also produces Announcements of Public Interest (APIs) from time to time, and launches activities targeting at schools such as interactive drama programmes, visits to primary and secondary schools as well as seminars in tertiary institutions, etc. to put across the messages of respecting creativity, protecting

IPR and stopping online infringement. In 2019-20, IPD will continue to implement the above measures which include:

- producing and broadcasting APIs on television;
- producing leaflets for distribution at seminars, exhibitions and schools and for uploading onto IPD's website;
- producing and placing supplements in local newspapers targeted at students;
- launching a brand new interactive teaching website; and
- organising a large scale promotion activity for members of the "I Pledge" Campaign.

Apart from the general public, the business sector (including SMEs, business associations, IP intermediaries, etc.) has always been a main target of IPD's promotion and education efforts. In 2019-20, IPD will continue to implement a series of initiatives, and key items include:

- implementing the "IP Manager Scheme" and the free "IP Consultation Service Scheme", and sponsoring and promoting training courses on IP-related subjects organised by professional bodies and business organisations;
- co-organising the "Business of IP Asia Forum" with the Hong Kong Trade Development Council and the Hong Kong Design Centre;
- producing a video on trade mark for broadcast in Guangdong and Hong Kong, which seeks to promote how enterprises may leverage on the unique competitive advantages of different cities in the Greater Bay Area to commercialise their IP and enter into the global market successfully;
- promoting IP trading and support services through different channels, including websites, exhibitions, seminars, trade magazines and business associations; and
- collaborating with IP authorities on the Mainland to promote IP protection, management and trading to the business sector regarding their businesses on the Mainland (e.g. co-organising activities with the IP authorities of the Guangdong Province such as seminars for SMEs and exchange activities, and disseminating latest information on the IP regimes of Guangdong, Hong Kong and Macao.)

IPD has all along been keeping in touch with the industry and stakeholders, conducting regular surveys on public awareness on IP protection, and collecting feedback from participants of the relevant promotion and education activities, in assessing the effectiveness of the activities and drawing up appropriate promotion strategies and programme plans. The feedback from the industry and stakeholders is positive in overall terms.

In addition, as the law enforcement agency for IPR, C&ED makes on-going efforts to enhance public awareness of IPR through various channels, including seminars and talks organised from time to time in collaboration with IPD, the Consumer Council, industry associations and major business associations. C&ED will continue to organise publicity and education activities to raise the community's awareness of IPR.

Promotion of IPR to the business sector (including SMEs) is part and parcel of IPD's overall publicity and education plan. It is therefore difficult to quantify the resources required for such efforts separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)046

(Question Serial No. 0017)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this Programme that the Government has extended the application period of the time-limited special concessionary measures under the Small and Medium Enterprises Financing Guarantee Scheme (SFGS) and the validity of the enhancements for 1 year to 30 June 2020 and continued to monitor the operation of the measures. Please advise this Committee of the number of applications under the scheme in the previous year (i.e. 2018-19) and the amounts involved. Which sectors were the main beneficiaries? Has the number of applications been on the rise or decreasing, and what are the reasons? What is the expected situation in 2019-20? Is there any need to increase the amount of expenditure for the scheme?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 12)

Reply:

The HKMC Insurance Limited (HKMCI) operates the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) to provide 80% loan guarantees at concessionary fee rates. The Government provides a total loan guarantee commitment of \$100 billion. The special concessionary measures are time-limited special measures. The original application period was 9 months, which was later extended numerous times to the end of June 2019. To further relieve the financing burden of local enterprises and to assist enterprises in obtaining financing from lending institutions, the Government introduced three enhancement measures in November 2018, including reducing the guarantee fee by 50%; increasing the maximum loan amount from \$12 million to \$15 million; and lengthening the maximum loan guarantee period from 5 years to 7 years. As at the end of February 2019, the HKMCI has received over 16 700 applications and approved over 14 900 of them, involving a total loan amount of about \$60.5 billion and a total guarantee amount of about \$48.4 billion. The number of applications received in 2018 was 1 932, which was around 20% higher than the 2017 figure.

Since the launch of the enhancement measures, the number of applications received between December 2018 to February 2019 and the amount of loans involved have increased by 43% and 77% year-on-year respectively, reflecting the effectiveness of the new measures in assisting enterprises in obtaining financing.

To support local enterprises in tiding over uncertainties in the present environment, and to continue to assist enterprises in obtaining loans in the commercial lending market, the Government has further extended the application period of the special concessionary measures under the SFGS and the validity of the three enhancement measures launched last year to the end of June 2020, as announced in the 2019-20 Budget.

The number of applications approved under the special concessionary measures by sector is as follows:

Sector	No. of Applications Approved	Percentage of Total Applications Approved
Manufacturing	3 130	21.0%
Textiles and clothing	575	3.9%
Electronics	293	2.0%
Plastics	252	1.7%
Printing and publishing	225	1.5%
Others	1 785	11.9%
Non-manufacturing	11 798	79.0%
Trading	6 784	45.4%
Wholesale and retail	1 431	9.6%
Engineering	518	3.5%
Construction	495	3.3%
Transportation/logistics	396	2.7%
Others	2 174	14.5%
Total	14 928	100.0%

As the loan amount and industry demand in the coming year will be affected by a number of factors, including the prevailing economic situation, we are unable to estimate the application situation in coming year. The HKMCI will continue to maintain dialogue with associations of small and medium-sized enterprises (SMEs) and participating lenders, and endeavor to reduce the financing burden of the local enterprises and assist enterprises in obtaining financing through implementing the SFGS. The Government will closely monitor changes in the market situation as well as the needs of SMEs, and will review from time to time the support measures to SMEs, including the special concessionary measures, to ensure that adequate support is provided to SMEs.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)047

(Question Serial No. 0020)

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

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

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

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Trade Development Council (TDC) has set up more than 50 offices worldwide, 13 of which are in the Mainland. Please advise whether TDC will set up new overseas offices in 2019-20, particularly in emerging markets to facilitate local small and medium enterprises to explore business opportunities and expand their operations. If yes, what is the number and what are the respective locations as well as the expenditure? Which sectors will be the focus of publicity efforts? Also, are there specific work plan or major promotion projects? Please list them out in detail.

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 16)

Reply:

Currently, the Hong Kong Trade Development Council (TDC) has 50 offices worldwide, a number of which are located in new markets. Among them, the 3 consultant offices in Saudi Arabia, Kazakhstan and Kenya were set up in 2018-19. In 2019-20, TDC has no plan to set up new offices. TDC will continue to closely monitor market development and expand its global office network according to the expansion needs of Hong Kong companies.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)048

(Question Serial No. 0021)

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

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

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

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2019-20, it is stated that the Hong Kong Trade Development Council (TDC) will help Hong Kong companies capture opportunities amid uncertain export environment. Please advise this Committee of the plans and measures to be proposed by TDC to help Hong Kong small and medium enterprises cope with the uncertain export environment in the coming year, the expenditure for implementation of these plans or measures and the expected outcomes.

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 17)

Reply:

In the past few years, the Hong Kong Trade Development Council (TDC) strived to help Hong Kong companies tap e-commerce and e-tailing opportunities, and capitalise on opportunities arising from new retail and consumption trends. In 2019-20, TDC will strive to help Hong Kong companies identify new export and sourcing markets as well as new industries with growth potential, and explore new ways of market expansion.

To help Hong Kong companies identify new markets and industries with potential, TDC will strengthen exchanges with exhibitions around the world to increase exposure of Hong Kong companies in different markets, in particular countries along the Belt and Road and the Guangdong-Hong Kong-Macao Greater Bay Area. TDC will also continue to promote Hong Kong brands and services by organising companies to participate in the *China International Import Expo*. TDC will organise investment missions for specific Hong Kong manufacturers to the Association of Southeast Asian Nations according to the strengths of individual countries.

Furthermore, TDC will set up a pavilion with various e-tailing service providers at the *SmartBiz Expo* to help small and medium enterprises in Hong Kong seize digital opportunities. In order to help Hong Kong companies explore new ways of market expansion, TDC will also introduce new themes on the development trend of e-tailing and m-commerce in its *International Trade Fast Pass* seminar series.

The expenditure of the above work has been subsumed under the overall estimated expenditure of TDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)049

(Question Serial No. 0022)

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

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

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

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2019-20, the work of the Hong Kong Trade Development Council (TDC) will include promoting Hong Kong as a platform for doing business with the Mainland and worldwide, as a commercial hub for the Belt and Road Initiative, and as a two-way platform for the Greater Bay Area. Please advise this Committee of the specific plans. What are the details of the estimated expenditure, staff establishment and expected results?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 18)

Reply:

In 2019-20, to reinforce Hong Kong's role as a two-way investment and business hub of Asia, the Hong Kong Trade Development Council (TDC) will strive to establish Hong Kong as the commercial hub of the Belt and Road Initiative, and to seize opportunities arising from the development of the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area). To this end, TDC plans to organise various events, including co-organising the fourth *Belt and Road Summit* with the Government, which will be a two-day anchor event of the *Belt and Road Week* with a breakout session on the Greater Bay Area; continuing expansion of the *Belt and Road Global Forum*; enriching the content of the *Belt and Road Portal*; and staging *Think Asia, Think Hong Kong* in Los Angeles, the United States and *In Style · Hong Kong* in Manila, the Philippines, in order to promote Hong Kong's advantages in connecting the Greater Bay Area with global business communities.

The expenditure of the above work, which is carried out by TDC's existing staff, has been subsumed under the overall estimated expenditure of TDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)050

(Question Serial No. 0023)

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

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

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

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this Programme that the work of the Hong Kong Trade Development Council (HKTDC) in 2019-20 includes organising workshops to assist Hong Kong companies to enhance their capabilities. Please advise this Committee of the details of the work in this respect during the past year. What was the expenditure involved? What were the achievements? Please set out the details in table form. For the coming financial year, what are the specific plans of the HKTDC? What workshops will it organise? What capabilities of Hong Kong companies are expected to be enhanced? What is the expenditure involved?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 19)

Reply:

In 2018-19, the Hong Kong Trade Development Council (TDC) organised 42 workshops in its SME Centre with themes including setting up small and medium enterprises (SMEs), SME management, doing business in the Mainland, new marketing trends and the Belt and Road Initiative. The workshops covered brand protection, opportunities with new technology, digital and social media, strategies to cope with trade conflicts between the United States and the Mainland, etc. A total of about 5 000 SMEs participated in these workshops.

In 2019-20, TDC will continue to organise an array of events, including various workshops focusing on market trends and business needs, in order to better equip Hong Kong companies for challenges in business and improve their competitiveness. In order to help Hong Kong companies explore new ways of market expansion, TDC will also introduce new themes on the development trend of e-tailing and m-commerce in its *International Trade Fast Pass* seminar series.

The expenditure of the above work has been subsumed under the overall estimated expenditure of TDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)051

(Question Serial No. 0024)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention of this Programme, it is stated that the Commerce, Industry and Tourism Branch will continue to work with the Hong Kong Export Credit Insurance Corporation (ECIC) to assist Hong Kong exporters in 2019-20. Please inform this Committee of the number of applications approved by the ECIC last year. What is the amount of insurance coverage involved? What types of enterprises have applied for insurance coverage? What is the number of claims cases and how many of them are approved? Please set out the specific details of the service in table form. Providing small and medium enterprises with export credit insurance protection encourages and supports the export trade of Hong Kong. What is the estimated expenditure for such work in 2019-20? Will the underwriting capacity of the ECIC be further strengthened in response to the global trade environment?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 20)

Reply:

In 2018-19, the number of new policy applications received by the Hong Kong Export Credit Insurance Corporation (ECIC), the number of new policies issued, the total maximum liability of new policies issued and the types of enterprises that applied for new policies are as follows:

2018-19 (As at 28 February 2019)	
Number of new policy applications received	680 applications
Number of new policies issued	281 policies
Total maximum liability of new policies issued	\$2.069 billion
Types of enterprises that applied for new policies	Major industries included textiles & clothing, electronics, electrical appliances, toys and metallic products.

Note: (1) In 2018-19, some policyholders switched their existing policies to Small Business Policy (SBP). The above figures do not cover such conversion.

(2) Each insurance policy has a maximum liability which represents the maximum amount of claims payable by ECIC during a policy period. The total maximum liability represents the aggregate amount of maximum liability of all policies issued.

In processing claims, ECIC will abide by its claims payment obligation in accordance with the terms and conditions of policies. Policyholders also have to abide by the insurance principles and the terms and conditions of policies, and to take all reasonable and practicable measures and all actions required by ECIC to prevent or minimise losses. On receipt of notification of payment difficulty cases from policyholders, ECIC will keep in contact with the policyholders and follow up on the cases, and will advise the policyholders to take appropriate loss minimisation actions. Among payment difficulty cases, some were eventually resolved with payment from the buyers and thus no claim payment from ECIC was required, and some were rejected because the policyholders had failed to comply with the terms or conditions of the policies concerned. Details on the claim cases handled by ECIC in 2018-19 are tabulated below:

2018-19 (As at 28 February 2019)	
Payment Difficulty cases	105
Claim Payment cases ^(*)	36
Cases Resolved	9
Cases Rejected	6
Cases still under Review	54

^(*) Including cases involving claims expenses reimbursement to policyholders.

ECIC is a self-financing organisation. The Government does not have expenditure estimate for ECIC's expenditure for providing export credit insurance to Hong Kong exporters.

As at 31 March 2018, the capital and reserves of ECIC stood at \$2.415 billion. The cap on ECIC's contingent liability under contracts of insurance was increased from \$40 billion to \$55 billion in June 2017. ECIC estimates that the existing cap on contingent liability would be sufficient to meet the forecast growth of its insured business over the next few years.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)052

(Question Serial No. 0339)

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

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

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

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in Matters Requiring Special Attention in 2019-20 under this Programme that the Hong Kong Trade Development Council (TDC) will, inter alia, equip start-ups and a new generation of Hong Kong businesses to become future ready. Please advise this Committee how TDC will assist start-ups and a new generation of Hong Kong businesses to carve their future in the coming year. What are the specific plans, expenditure involved and anticipated results? What have been done in this respect in the previous year and what was the expenditure involved?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 11)

Reply:

The Hong Kong Trade Development Council (TDC) provides comprehensive support for start-ups through an array of measures. Besides providing information and advisory services, TDC also provides start-ups with commercial platforms through exhibitions, outbound missions, business matching and *hktdc.com*, in order to assist them to connect with potential partners around the world.

In 2018-19, 412 start-ups showcased their innovative ideas and products to buyers worldwide at the *Start-up Zone* set up by TDC at various exhibitions and conventions, representing a 30% increase compared with the previous year. TDC also organised the 10th *Entrepreneur Day* in May 2018 with 276 exhibitors, 130 of which were start-ups. TDC also continued to provide various free services to support small and medium enterprises (SMEs) (including start-ups), such as provision of diverse business information at its SME Centre which attracted over 140 000 visits in the year. The SME Centre also organised 42 workshops and 13 seminars, and provided free business advisory services to about 1 200 SMEs.

In 2019-20, TDC will launch more events and services targeting at start-ups, in order to provide more marketing and entrepreneurial opportunities. TDC will organise an open competition on innovation named *IP Hatch* for start-ups and entrepreneurs. TDC will also cooperate with Cyberport and Hong Kong Science and Technology Park to bring technology start-ups in Hong Kong to participate in the *SmartHK* campaign in Guangzhou. Besides, TDC will launch a start-up mentorship programme and an online start-up community named *Hong Kong Start-up Society*.

The expenditure of the above work has been subsumed under the overall estimated expenditure of TDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)053

(Question Serial No. 0340)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in Matters Requiring Special Attention in 2019-20 under this Programme that the Commerce, Industry and Tourism Branch will continue its efforts in fostering co-operation between Hong Kong and Taiwan on trade, investment and tourism matters. Please advise this Committee of the effectiveness of these efforts over the past year and the expenditure involved. What specific measures will be adopted in the new financial year, and what are the estimated expenditure and expected effectiveness?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 13)

Reply:

The Hong Kong Special Administrative Region Government has been fostering co-operation between Hong Kong and Taiwan in the areas of trade, investment and tourism. Relevant work includes –

- On trade promotion, the Hong Kong Trade Development Council (HKTDC) has been actively promoting the commerce and trade cooperation and exchanges between Hong Kong and Taiwan, and encouraging Taiwanese enterprises to co-operate with Hong Kong companies and leverage on Hong Kong's services platform to tap the overseas and Mainland markets. Also, the Taipei Office of the HKTDC often organises various types of promotional activities to provide an interactive platform for enterprises of the two places, thereby creating opportunities for business co-operation. In 2018-19, the HKTDC has organised more than 60 activities in Hong Kong and Taiwan to promote the economic and trade relations between the two places, including organising Taiwanese enterprises to participate in various exhibitions and forums held in Hong Kong. The HKTDC's relevant expenditure in 2018-19 is around HK\$5.92 million.

In 2019-20, the HKTDC will continue to promote trade ties between Hong Kong and Taiwan through organising different activities such as trade fairs, outbound missions, seminars, roadshows and business matching activities, etc. In addition, the HKTDC will put more emphasis on promoting sectors where Hong Kong enjoys advantages, such as logistics, e-commerce and licensing, etc. The estimated budget of the HKTDC for trade promotion work targeting Taiwan in 2019-20 is around HK\$5.82 million.

- On investment promotion, Invest Hong Kong (InvestHK) has been promoting Hong Kong's business advantages in Taiwan. Through the investment promotion unit at the Hong Kong Economic, Trade and Cultural office in Taiwan, InvestHK has been reaching out to a wide spectrum of Taiwanese companies and visiting enterprises in different cities in Taiwan so as to encourage Taiwanese companies to leverage on the business advantages of Hong Kong to expand their regional operations. In 2018-19, InvestHK's expenditure on investment promotion work in Taiwan is around \$0.45 million (not including staff costs or other general expenses funded under Head 144).

In 2019-20, InvestHK will continue to promote the above work. It will conduct investment promotion visits so as to attract more Taiwanese companies to set up or expand their business in Hong Kong. The estimated budget of InvestHK for investment promotion work in the Taiwan market in 2019-20 is about the same as in 2018-19 (not including staff costs or other general expenses funded under Head 144).

- On tourism, Taiwan remains Hong Kong's second largest source market. The revised estimate of the Hong Kong Tourism Board (HKTB) for the marketing programmes in the Taiwan market in 2018-19 is \$19.3 million. Visitor arrivals from Taiwan were 1.925 million in 2018.

In 2019-20, HKTB will continue its marketing efforts targeted at the young and family segments in Taiwan. HKTB will join hands with operators including the travel trade, airlines, local hotels, attractions, etc., to launch promotional tourism products targeted at families during long school holidays in Taiwan. HKTB will also work with the travel trade to launch attractive themed tourism products alongside mega events, with a view to drawing young visitors to Hong Kong during their short breaks. In addition, HKTB will deepen its partnership with Taiwan and join hands with airlines and travel agents to promote multi-destination itineraries and products featuring Hong Kong and Taiwan in long-haul markets, such as the United Kingdom, Germany and Russia. The estimated marketing budget of HKTB in 2019-20 for the Taiwan market is \$12.1 million.

Regarding cruise tourism, HKTB will co-operate with other "Asia Cruise Cooperation" (ACC) members (including Taiwan) to promote regional collaboration in cruise tourism, which includes holding conferences in international cruise events, such as Seatrade Cruise Global, to introduce the latest development of ACC member ports to the management of the major cruise lines and encourage them, through the subsidies provided by ACC, to include Hong Kong and other member ports (including Taiwan) in their cruise itineraries. In addition, HKTB will continue to work with other ACC

members (including Taiwan) to launch joint promotions in key source markets, such as the newly released regional TV programme “Cruise the World”, to attract consumers to choose cruise products featuring Hong Kong and other member ports (including Taiwan).

Moreover, the Government will continue to, through the platforms of the “Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council” and the “Hong Kong-Taiwan Business Co-operation Committee” of Hong Kong, and the “Taiwan-Hong Kong Economic and Cultural Co-operation Council” and the “Economic Co-operation Committee” of Taiwan, foster economic and trade exchanges and co-operation between Hong Kong and Taiwan.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)054

(Question Serial No. 0346)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned under Matters Requiring Special Attention in 2019-20 of this Programme, the Commerce, Industry and Tourism Branch (CITB) and the Hong Kong Tourism Board (HKTB) will drive Meetings, Incentive Travels, Conventions and Exhibitions (MICE) tourism and consolidate Hong Kong's image as the "World's meeting place". For efforts in this regard, please inform this Committee of the expenditure involved and the achievements made last year; and the specific plans, timetables and expenditure to be involved as well as the achievements to be made in the coming financial year.

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 29)

Reply:

The revised estimate of the Hong Kong Tourism Board (HKTB) for promoting MICE tourism in 2018-19 is \$73.90 million.

In 2018, Hong Kong received 1.97 million overnight MICE visitors, representing an increase of 2.1% over 2017. The Meetings and Exhibitions Hong Kong under the HKTB provided support to over 1 000 MICE events during the year.

To attract high-spending MICE visitors to Hong Kong, in 2019-20, the HKTB will continue to adopt promotional strategies tailored for various MICE segments. It will also provide MICE event organisers and visitors with customised support and attractive offers to draw more MICE events of different scales to Hong Kong and consolidate Hong Kong's image as the "World's meeting place". The major promotion work conducted by the HKTB for the various MICE segments in 2019-20 will include:

Meetings and Incentives (M&I)

- focusing resources on South Korea, India, Southeast Asia (primarily Indonesia and Thailand), the United States (US) and the Mainland (targeting Mainland and foreign corporations operating in the Greater Bay Area) and attracting companies in the direct selling, insurance and finance, information technology, pharmaceutical and manufacturing sectors;
- promoting the latest tourism products, venues and travel experiences to corporate clients and the overseas travel trade through the new MICE tourism brand campaign which will strengthen Hong Kong's image as "The World's Meeting Place" and refresh the perception of MICE visitors about Hong Kong;
- organising an award programme to recognise the performances and contributions of the overseas travel trade. The HKTB will also continue to engage the overseas travel trade through workshops and seminars so as to keep them updated on the latest developments and unique experiences in Hong Kong as well as the HKTB's market strategies in different source markets;
- participating in MICE trade shows in key source markets together with the local travel trade to help them foster connections with MICE event organisers, overseas travel trade and the management of corporations; and
- strengthening collaboration with M&I organisers in key source markets to solicit for mega M&I and actively secure more small and medium-sized M&I to be held in Hong Kong.

Professional association events

- maintaining the focus on the medical and high-tech industries, through strategic resources deployment, the HKTB will solicit more large-scale association events to Hong Kong. Through the new MICE tourism brand campaign, the HKTB will showcase the competitive advantages of Hong Kong in hosting association events, especially the excellent transport linkage with the Mainland, in lobbying professional associations for staging their events in Hong Kong;
- allocating more resources for the Asia-Pacific (APAC) region in 2019-20 and solicit for conferences from professional associations, in particular in the field of innovative technology and starts-up, taking into account the more frequent rotation of host cities and that the scale of many conferences in APAC are in medium size which allow more flexibility in venue options;
- focusing resources on Europe and the US in order to bring more medium-sized conferences to Hong Kong. The HKTB will form new strategic partnerships with professional associations and professional conference organisers, and proactively reach out to and persuade the decision makers of the associations to choose Hong Kong as the host city of their events;

- participating in international MICE trade shows in Europe and the US together with the local trade, for example, IMEX, to strengthen the connection between the local trade and professional conference organisers and promote Hong Kong's edges to these event organisers through different networking activities held at these trade shows; and
- fostering a closer tie with professional associations in the Mainland, especially medical related associations, and organising familiarisation tours in Hong Kong for their representatives to enable them to build network and discuss with Hong Kong associations about the possibility of organising conferences jointly.

Exhibitions

- continuing to showcase Hong Kong's core strengths at international industry events with key partners from the local exhibition sector, and enhancing the city's image as Asia's fair capital as well as strengthening collaboration with the key exhibition venues in Hong Kong to attract more small and medium-sized exhibitions; and
- offering support to exhibition organisers and attracting buyers and exhibitors from the Belt and Road related countries and regions to participate in the exhibitions in Hong Kong.

In 2019-20, the HKTB plans to spend \$61.20 million on MICE promotion to help draw more high-spending visitors.

Overall speaking, the HKTB projects that the number of overnight MICE visitors in 2019 will register a slight increase over 2018.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)055

(Question Serial No. 0347)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the main responsibilities of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) (CITB) under this Programme is to formulate policies to support small and medium enterprises (SMEs). Please advise this Committee of the policy measures the CITB introduced to support SMEs in the past year, and set out separately the expenditure involved, the effectiveness, as well as the trades and the number of SMEs benefited. Please also set out the measures and new plans to be implemented by the CITB in 2019-20 to support SMEs, the respective expenditures involved, as well as the expected effectiveness. In view of the unstable global economic outlook, will the Government gauge the needs of SMEs in light of the latest situation and respond by putting in place appropriate policies or supporting measures? If yes, what are the details? If no, what are the reasons?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 30)

Reply:

The Government attaches great importance to the development of SMEs. We review the various support measures from time to time in response to the economic situation in order to provide adequate and timely support to SMEs.

The existing measures and new initiatives overseen by the Commerce, Industry and Tourism Branch to support SMEs in 2018-19 and 2019-20 and their relevant expenditure are as follows:

- The HKMC Insurance Limited (HKMCI) operates the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) to provide 80% loan guarantees at concessionary fee rates. The Government provides a total loan guarantee commitment of \$100 billion. The special concessionary measures are

time-limited special measures. The original application period was 9 months, which was later extended numerous times to the end of June 2019. To further relieve the financing burden of local enterprises and to assist enterprises in obtaining financing from lending institutions, the Government introduced three enhancement measures in November 2018, including reducing the guarantee fee by 50%; increasing the maximum loan amount from \$12 million to \$15 million; and lengthening the maximum loan guarantee period from 5 years to 7 years. As at the end of February 2019, the HKMCI has received over 16 700 applications and approved over 14 900 of them, involving a total loan amount of about \$60.5 billion and a total guarantee amount of about \$48.4 billion, and benefiting more than 8 500 local enterprises (including more than 7 800 SMEs) with more than 219 000 employees. The major beneficiary sectors are the trading, wholesale and retail, and textile and clothing sectors.

Since the launch of the enhancement measures, the number of applications received between December 2018 to February 2019 and the amount of loans involved have increased by 43% and 77% year-on-year respectively, reflecting the effectiveness of the new measures in assisting enterprises in obtaining financing.

To support local enterprises in tiding over uncertainties in the present environment, and to continue to assist enterprises in obtaining loans in the commercial lending market, the Government has further extended the application period of the special concessionary measures under the SFGS and the validity of the three enhancement measures launched last year to the end of June 2020, as announced in the 2019-20 Budget.

- The Trade and Industry Department (TID) assists Hong Kong enterprises in obtaining finance, exploring export markets and enhancing their overall competitiveness through various funding schemes, including the SME Loan Guarantee Scheme (SGS), the SME Export Marketing Fund (EMF), the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and the Trade and Industrial Organisation Support Fund (TSF) (a merger between the SME Development Fund (SDF) and Organisation Support Programme (OSP) under the BUD Fund in October 2018). The implementation progress of the various funding schemes in 2018 was as follows:

	Number of applications approved	Number of beneficiaries	Amount of guarantees/grants approved by the Government (\$ million)	The major beneficiary sectors (listed according to the number of applications approved)
SGS	719	693	909.0	1.Import and Export Trade 2.Wholesale and Retail 3. Engineering

	Number of applications approved	Number of beneficiaries	Amount of guarantees/grants approved by the Government (\$ million)	The major beneficiary sectors (listed according to the number of applications approved)
EMF	9 025	5 570	167.1	1. Import and Export Trade 2. Wholesale and Retail 3. Electronics
BUD Fund (Enterprise Support Programme (ESP))	497	486 (amongst which, 477 are SMEs)	224.9	1. Wholesale and Retail 2. Import and Export Trade 3. Textile and Clothing
The former SDF <small>Note 1</small>	15	Not applicable <small>Note 2</small>	34.2	1. Cross-sector 2. Wholesale and Retail 3. Industrial machinery
The former BUD Fund (OSP) <small>Note 1</small>	14	Not applicable <small>Note 2</small>	39.3	1. Creative industries 2. Textile and Clothing 3. Cross-sector

Note 1: The SDF and the BUD Fund (OSP) were merged to form the Trade and Industrial Organisation Support Fund (TSF) in October 2018.

Note 2: The SDF and the BUD Fund (OSP) did not provide direct funding support to SMEs but to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.). The number of beneficiaries depends on the industries involved and details of individual projects, and is difficult to estimate accurately.

The Government injected \$1 billion into the Export Marketing and Trade and Industrial Organisation Support Fund in 2018-19, and implemented enhancement measures to the EMF in August 2018, including increasing the maximum grant for each application and revising upward the cumulative funding ceiling for each enterprise to \$100,000 and \$400,000 respectively to strengthen the support for SMEs to explore new markets and new business opportunities. Since the implementation of the enhancement measures, the number of applications of the fund up to the end of February 2019 (8 118) was 40% more than that of the corresponding period in 2017-2018.

At the same time, the Government also injected \$1.5 billion into the BUD Fund, and implemented enhancement measures in August 2018, including extending the geographical scope of the ESP to include the Association of Southeast Asian Nations (ASEAN) markets, providing a cumulative funding ceiling of \$1 million for each

enterprise for undertaking projects in ASEAN markets; and increasing the cumulative funding ceiling for each enterprise for undertaking projects in the Mainland from \$500,000 to \$1 million. Since the implementation of the enhancement measures and up to the end of February 2019, a total of 183 applications were received under the ASEAN Programme, while a total of 585 applications were received under the enhanced Mainland Programme, representing an increase of 106% as compared to the corresponding period in 2017-2018.

In 2019-20, TID will continue to assist enterprises in obtaining finance, exploring export markets and enhancing their overall competitiveness through the various funding schemes. With regard to the EMF, TSF (including the approved expenditure under the former SDF) and the BUD Fund (including the approved expenditure under OSP), the estimated expenditure in 2019-20 is \$434 million. The Government provides loan guarantee to SMEs under the SGS to help them secure loans from the participating lending institutions. The guarantee approved by the Government is not a grant, and is thus not an expenditure. We estimate that the amount of guarantee to be approved by the Scheme in 2019-20 will be about \$900 million.

The 2019-20 Budget proposes to inject another \$1 billion into the BUD Fund to further extend the geographical scope of the BUD Fund to include all economies which have signed Free Trade Agreements (FTAs) with Hong Kong, thereby enabling enterprises to take advantage of the FTAs to explore new markets and new business opportunities; and to further increase the cumulative funding ceiling for each enterprise under the BUD Fund to \$3 million, including \$1 million for the Mainland market and \$2 million for other FTA markets. We will consult the Legislative Council Panel on Commerce and Industry on the proposals and seek funding approval of the Finance Committee.

- On the intellectual property (IP) front, the Intellectual Property Department (IPD) will continue to run the “IP Manager Scheme” and the free “IP Consultation Service” in 2019-20 to help SMEs build up their manpower capacity in IP management and commercialisation. Since the launch of the IP Manager Scheme in May 2015, IPD organised 8 rounds of IP Manager Training Programme and 13 practical workshops under the Scheme, over 1 500 and 400 participants coming from over 1 200 SMEs attending the events respectively. Since the launch of the free “IP Consultation Service” in 2014, IPD has completed over 330 consultations by February 2019.

Since October 2015, IPD has been sponsoring professional bodies in conducting various training courses on IP related subjects to assist SMEs in managing IP assets and conducting IP commercialisation. Topics covered include patent search, trade mark search, practical skills in handling patent matters, preparation for the National Qualification Examination for Patent Agents, and IP valuation. Over 550 persons have participated in various trainings so far.

- In the past few years, the Hong Kong Trade Development Council (TDC) strived to help Hong Kong companies tap e-commerce and e-tailing opportunities, and capitalise on opportunities arising from new retail and consumption trends. In 2019-20, TDC will strive to help Hong Kong companies identify new export and sourcing markets, new industries with growth potential, as well as new ways of market expansion.

To help Hong Kong companies identify new markets and industries with potential, TDC will strengthen exchanges with exhibitions around the world to increase exposure of Hong Kong companies in different markets, in particular countries along the Belt and Road and the Guangdong-Hong Kong-Macao Greater Bay Area. TDC will continue to promote Hong Kong brands and services by organising companies to participate in the China International Import Expo. TDC will also organise investment missions for specific Hong Kong manufacturers to the ASEAN according to the strengths of individual countries.

Furthermore, TDC will set up a pavilion with various e-tailing service providers at the SmartBiz Expo to help SMEs in Hong Kong seize opportunities in digital business. In order to help Hong Kong companies discover new ways of market expansion, TDC will also introduce new themes on the development trend of e-tailing and m-commerce in its International Trade Fast Pass seminar series.

The expenditure of the above work has been subsumed under the overall estimated expenditure of TDC, and cannot be quantified separately.

- The Retail Technology Adoption Assistance Scheme for Manpower Demand Management was launched in December 2014 to support the retail industry (in particular SMEs) to adopt technologies for enhancing their productivity. As at the end of February 2019, 369 applications were approved (including more than 90% from SMEs) and the funding approved for these projects amounted to around \$13.6 million in total.
- The Hong Kong Export Credit Insurance Corporation (ECIC) has launched a "Small Business Policy" (SBP) scheme for Hong Kong enterprises with an annual business turnover of less than \$50 million, providing exporters with more flexibility in taking out insurance cover, and providing premium discount to assist SMEs in reducing operating cost. ECIC has also introduced in phases short term special enhanced measures in June and September 2018 to strengthen protection for Hong Kong exporters affected by the US tariff measures.

In addition, ECIC has launched a new one-stop online credit insurance platform EC-Reach in September 2018. The EC-Reach also has an Online Micro-Business Policy (OMBP) for start-up enterprises and small- and micro-business exporters, to provide SMEs with a simple and fast experience in credit risk management and purchase of export credit insurance.

ECIC is a self-financing organisation. The Government does not have expenditure estimate for ECIC's expenditure for providing export credit insurance to Hong Kong exporters.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)056

(Question Serial No. 0356)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, in view of the trade conflicts between the US and the Mainland, the Commerce and Economic Development Bureau worked with the Trade and Industry Department in enhancing their funding schemes, including introducing (1) the Association of Southeast Asian Nations (ASEAN) Programme under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in August 2018 to assist Hong Kong enterprises to strengthen their competitiveness and further business development in the ASEAN markets, and (2) a higher cumulative funding ceiling per enterprise under the Mainland Programme. Regarding the above two measures, please advise this Committee of the progress and effectiveness achieved so far, and the application situation of the BUD Fund in the past year. How did the Government support Hong Kong enterprises to develop the ASEAN markets? Besides, what were done by the Government to assist local small and medium enterprises (SMEs) in developing their brands, upgrading and restructuring their operations and promoting sales in the Mainland domestic markets? What were the Mainland domestic markets developed? What are the specific plans for the above work in the coming year and the estimated expenditures involved?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 39)

Reply:

The Government implemented enhancement measures to the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in August 2018, including extending the geographical scope of the Enterprise Support Programme (ESP) to cover the Association of Southeast Asian Nations (ASEAN) markets, providing a cumulative funding ceiling of \$1 million for each enterprise for undertaking projects in the ASEAN markets; and increasing the cumulative funding ceiling for each enterprise for undertaking projects in the Mainland from \$500,000 to \$1 million.

Since the implementation of the enhancement measures on 1 August 2018 and up to end of February 2019, the implementation progress of the BUD Fund was as follows:

	ASEAN Programme	Enhanced Mainland Programme
Number of applications received ^{Note 1}	183	585
Number of applications approved	42	166
Total amount of grants approved (\$ million)	23.1	92.5

Note 1: Applications received in a year may not be processed in the same year. The figure also included those applications withdrawn thereafter.

The Programme Management Committee of the BUD Fund will hold a meeting in the end of March 2019 to consider the next round of applications. It is expected that the number of applications approved and the amount of funding approved will increase further thereafter.

The overall implementation progress of the BUD Fund in 2018 was as follows:

	Number of applications received ^{Note 1}	Number of applications approved	Amount of grants approved by the Government (\$ million)
The former BUD Fund (Organisation Support Programme (OSP)) ^{Note 2}	14	14	39.3
BUD Fund (ESP)	1 082	497	224.9

Note 2: The SME Development Fund (SDF) and the BUD Fund (OSP) were merged to form the Trade and Industrial Organisation Support Fund in October 2018.

Under the ASEAN Programme of the BUD Fund, some approved projects have commenced, such as establishing offices in the ASEAN and participating in local exhibitions, etc. Funded enterprises indicated that the ASEAN Programme has enabled them to allocate more resources to develop the ASEAN markets and enhance their competitive advantages for promoting their ASEAN business.

The Mainland Programme under the BUD Fund provides funding support to enterprises to undertake approved projects to develop business in the whole Mainland market or major Mainland provinces and cities such as Shanghai, Shenzhen, Beijing, Guangdong province, Zhejiang province, Sichuan province and Jiangsu province, etc. Up to the end of February 2019, 696 Mainland Programme projects have been completed. According to the survey results, about 99% of the enterprises that have completed their funded projects considered the programme effective in assisting their business development. Enterprises also generally considered that the projects had helped enhance the awareness of their brand,

improve product quality, develop new products, develop sales network, enhance the overall competitiveness of enterprises and increase sales turnover.

In 2019-20, the Trade and Industry Department (TID) and the Hong Kong Productivity Council as the Secretariat of the BUD Fund, will continue to promote the BUD Fund to the trade through different channels including organising talks and attending seminars organised by trade and industrial organisations, promotion videos, website, etc. We will closely monitor the usage of the BUD Fund and continue the promotion through various channels.

At the same time, the 2019-20 Budget proposes to inject another \$1 billion into the BUD Fund to further extend the geographical scope of the Fund to include all economies which have signed Free Trade Agreements (FTAs) with Hong Kong, thereby enabling enterprises to take advantage of the FTAs to explore new markets and new business opportunities; and to further increase the cumulative funding ceiling for each enterprise under the BUD Fund to \$3 million, including \$1 million for the Mainland market and \$2 million for other FTA markets. We will consult the Legislative Council Panel on Commerce and Industry on the proposals and seek funding approval of the Finance Committee.

The expenditure of the above work has been subsumed under the overall estimated expenditure of the TID. It is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)057

(Question Serial No. 0357)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau (CEDB) has worked with the Hong Kong Export Credit Insurance Corporation (ECIC) to assist Hong Kong exporters, including the introduction of enhanced measures for strengthening the support and protection to Hong Kong exporters amid the trade conflicts between the United States (US) and the Mainland. Please advise this Committee of the details of such enhanced measures and strengthened support as well as the expenditure involved. Given that the US-Mainland trade conflicts are expected to persist, will the Government regularise such enhanced measures? If yes, what are the details? If not, what are the reasons?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 40)

Reply:

The Hong Kong Export Credit Insurance Corporation (ECIC) has introduced in phases short term special enhanced measures to strengthen protection for Hong Kong exporters affected by the tariff measures of the United States (US), including providing six free buyer credit assessments for each Hong Kong exporter; providing 30% discount on premium for "Small Business Policy" (SBP) holders (i.e. Hong Kong exporters with annual sales turnover less than \$50 million); increasing the credit limit for SBP holders by 20% to a maximum of \$5 million; and providing free pre-shipment cover for SBP holders affected by the US tariff measures.

The Government takes into account the trade's situation and needs when implementing various measures. We will continue to closely monitor developments and maintain close communication with the trade. We will also keep reviewing our support measures to the

trade, particularly small and medium enterprises, to ensure that the measures are appropriate.

ECIC is a self-financing organisation, the Government does not have expenditure estimate for ECIC's expenditure for providing export credit insurance to Hong Kong exporters.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)058

(Question Serial No. 0571)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this Programme, one of the Matters Requiring Special Attention for the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau is to continue to closely monitor the trade protection measures adopted by the United States (US) and the developments of the trade conflicts between the US and the Mainland and their impact on Hong Kong's economy; continue to maintain close communication with the trade and consider introducing further measures to provide timely support to the trade as necessary. Please inform this Committee of the support provided to the trade and the expenditure involved since the trade conflicts arose between the US and the Mainland last year. What is the Government's assessment of the impact of the US-Mainland trade conflicts on small and medium enterprises (SMEs) in Hong Kong in 2019-20? What timely support will be provided for them? What is the amount of expenditure to be set aside for implementing relevant measures?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 43)

Reply:

Since the beginning of the trade conflict between the United States (US) and the Mainland last year, the Government has been closely monitoring developments and their impact on Hong Kong economy, maintaining close communication and exchanging information with the trade, and discussing with them on how to respond. The Commerce and Economic Development Bureau and the Trade and Industry Department (TID) have met with major local chambers and associations of small and medium enterprises (SMEs) many times to gauge their views on the tariff measures and jointly assess their impact on the trade. TID has also set up a dedicated liaison platform for better communication with and dissemination of information to the trade.

In the short term, the Government understands that the trade is particularly concerned about export credits and financing, especially for SMEs which are more susceptible to external factors. Therefore, the Government has promptly responded to the trade's need and introduced a number of short term measures, including:

- The Hong Kong Export Credit Insurance Corporation has introduced in phases short term special enhanced measures to strengthen protection for Hong Kong exporters affected by the US tariff measures, including providing six free buyer credit assessments for each Hong Kong exporter; providing 30% discount on premium for “Small Business Policy” (SBP) holders (i.e. Hong Kong exporters with annual sales turnover less than \$50 million); increasing the credit limit for SBP holders by 20% to a maximum of \$5 million; and providing free pre-shipment cover for SBP holders affected by the US tariff measures;
- The application period for the special concessionary measures under the SME Financing Guarantee Scheme operated by the HKMC Insurance Limited has been extended. In addition, to further alleviate the financing burden of local enterprises and assist them to obtain financing from lending institutions, three additional support measures have been launched, i.e. reducing the annual guarantee fee rate by 50%; increasing the maximum facility amount from \$12 million to \$15 million; and lengthening the maximum guarantee period from 5 years to 7 years. In the 2019-20 Budget, the Government announced that the application period of the special concessionary measures and the three additional support measures introduced in November 2018 will be extended to 30 June 2020; and
- The Hong Kong Trade Development Council (TDC) organises free seminars to help the trade understand the relevant trade measures and possible responses, and will also continue to help the trade develop emerging markets and production base through organising trade missions, business matching services, etc.

In addition, the Government has also strengthened support to the trade in developing markets. The Government has advanced the launch of the ASEAN Programme under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to 1 August 2018 to provide funding support to non-listed Hong Kong enterprises to undertake projects for enhancing their competitiveness and furthering business development in the ASEAN market. Each enterprise can obtain a maximum funding of \$1 million on a matching basis. In addition, to strengthen support to SMEs in exploring new markets and new business opportunities, the cumulative funding ceiling per enterprise for the current SME Export Marketing Fund and the Mainland Programme under the BUD Fund has been doubled to \$400,000 and \$1 million respectively. In the 2019-20 Budget, the Government proposed injecting another \$1 billion into the BUD Fund and further extend the geographical scope of the BUD Fund to include all economies which have signed a free trade agreement (FTA) with Hong Kong, thereby enabling enterprises to take advantage of the FTAs to explore new markets and new business opportunities. The funding ceiling per enterprise under the BUD Fund will also be further increased to \$3 million, including \$1 million for the Mainland market and \$2 million for other FTA markets. The Government will consult the Legislative Council Panel on Commerce and Industry on the proposal and seek funding approval from the Finance Committee.

In the medium to long term, the Government will continue to adopt a multipronged approach. We will continue to establish stronger bilateral ties with like-minded trading partners and deepen Hong Kong's economic integration with different parts of the world through negotiating and signing FTAs and investment agreements. We will expand our overseas Economic and Trade Office coverage to new partners and markets with close economic and trade relations with Hong Kong and with development potential, so as to tap business opportunities and boost foreign direct investment into Hong Kong. We will continue to organise business missions with the TDC for the trade to explore business opportunities in new markets. We will also continue to assist the trade in grasping the opportunities brought by the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

The Government takes into account the trade's situation and needs when implementing various measures. We will continue to closely monitor developments and maintain close communication with the trade. We will also keep reviewing our support measures to the trade, particularly SMEs, to ensure that they are appropriate.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)059

(Question Serial No. 1303)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The work of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) under this Programme include co-ordinating Hong Kong's participation since the first China International Import Expo in Shanghai. Please inform this Committee of the details and expected results of the work. What is the estimated expenditure?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 46)

Reply:

The first China International Import Expo (CIIE), which consisted of the Country Pavilion for Trade and Investment, the Enterprise and Business Exhibition, and the Hongqiao International Economic and Trade Forum, was held in Shanghai from 5 to 10 November 2018.

The HKSARG set up a Hong Kong Exhibition Area inside the China Pavilion of the Country Pavilion for Trade and Investment during the CIIE to showcase Hong Kong's role as a gateway and important hub connecting China to the world by introducing Hong Kong's strengths, major infrastructure projects, popular tourist attractions, as well as innovation and technology products and inventions with the use of multimedia technologies. In addition, HKSARG officials and business leaders have been invited to attend and speak at the Hongqiao International Economic and Trade Forum.

Hong Kong enterprises also actively participated in the first CIIE to showcase and promote Hong Kong's quality products and professional services. According to official statistics, a total of 148 Hong Kong enterprises have exhibited in the first CIIE, with a total transaction value amounting to over USD 1.7 billion.

The second CIIE would be held in Shanghai from 5 to 10 November 2019. The HKSAR will continue to actively participate to showcase Hong Kong's strengths and latest development. We will also strive for more exhibition space for Hong Kong enterprises. The estimated expenditure for the related work in 2019-20 is \$13.1 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)060

(Question Serial No. 1304)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As mentioned in paragraph 109 under “Support for Enterprises” of the Budget Speech, the Financial Secretary will “inject another \$1 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) this year following the injection of \$1.5 billion last year”, “further extend the geographical scope of the BUD Fund to include all economies which have entered into an Free Trade Agreement with Hong Kong following the extension of the geographical scope from the Mainland to ASEAN countries in August 2018”, and “further increase the funding ceiling per enterprise under the BUD Fund to \$3 million this year following an increase in the ceiling from \$0.5 million to \$2 million last year”. Meanwhile, the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) will continue to work with the Trade and Industry Department and Hong Kong Productivity Council to implement the enhanced BUD Fund to support Hong Kong enterprises in developing their brands, upgrading and restructuring their operations and promoting sales in the Mainland and ASEAN markets. Please advise this Committee of the use of the BUD Fund last year and the sectors that it mainly benefitted? With the injection of another \$1 billion to the BUD Fund in 2019-20, what is the estimated number of enterprises to be benefitted? What are the expected results? Please list out both the application and approval status since the BUD Fund was launched in 2012. What sectors are mainly involved? Given the fast changing global political and economic environment, will the Government further adjust the funding amount and application criteria in accordance with the circumstances?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 46)

Reply:

The Government injected \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in 2018-19, and implemented enhancement measures in August 2018, including extending the geographical scope of the Enterprise Support Programme (ESP) to cover the Association of Southeast Asian Nations (ASEAN) markets, providing a cumulative funding ceiling of \$1 million for each enterprise for undertaking projects in the ASEAN markets; and increasing the cumulative funding ceiling for each enterprise for undertaking projects in the Mainland from \$500,000 to \$1 million. Since the implementation of the enhancement measures and up to the end of February 2019, a total of 183 applications were received under the ASEAN Programme, while a total of 585 applications were received under the enhanced Mainland Programme, representing an increase of 106% as compared to the corresponding period in 2017-2018.

The implementation progress of the BUD Fund in 2018 was as follows:

	Number of applications approved	Number of enterprise beneficiaries	Amount of grants approved by the Government (\$ million)	The major beneficiary sectors (listed according to the number of applications approved)
The former BUD Fund (Organisation Support Programme (OSP)) Note 1	14	Not applicable Note 2	39.3	1. Creative industries 2. Textile and Clothing 3. Cross-sector
BUD Fund (ESP)	497	486	224.9	1. Wholesale and Retail 2. Import and Export Trade 3. Textile and Clothing

Note 1: The SDF and the BUD Fund (OSP) were merged to form the Trade and Industrial Organisation Support Fund (TSF) in October 2018.

Note 2: The SDF and the BUD Fund (OSP) did not provide direct funding support to enterprises but to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.). The number of beneficiaries depends on the industries involved and details of individual projects, and is difficult to estimate accurately.

The application and approval status of the BUD Fund from its launch in June 2012 to end of February 2019 was as follows:

	Number of applications received <small>Note 3</small>	Number of applications approved	Amount of grants approved by the Government (\$ million)	The major beneficiary sectors (listed according to the number of applications approved)
The former BUD Fund (OSP)	214	84	263.0	1. Information technology 2. Creative industries 3. Textile and Clothing
BUD Fund (ESP)	3,910	1,639	631.5	1. Wholesale and Retail 2. Import and Export Trade 3. Textile and Clothing

Note 3: Applications received in a year may not be processed in the same year. The figure included those applications withdrawn thereafter.

The Programme Management Committee of the BUD Fund will hold a meeting in the end of March 2019 to consider the next round of applications. It is expected that the number of applications approved and the amount of funding approved will increase further thereafter.

The 2019-20 Budget proposes to inject another \$1 billion into the BUD Fund to further extend the geographical scope of the Fund to include all economies which have signed Free Trade Agreements (FTAs) with Hong Kong, thereby enabling enterprises to take advantage of the FTAs to explore new markets and new business opportunities; and to further increase the cumulative funding ceiling for each enterprise under the BUD Fund to \$3 million, including \$1 million for the Mainland market and \$2 million for other FTA markets. We will consult the Legislative Council Panel on Commerce and Industry on the proposals and seek funding approval of the Finance Committee.

We expect that after the implementation of the enhancement measures, the number of applications received, the amount of funding approved and the number of enterprise beneficiaries will increase.

The Government will closely monitor changes in the market situation as well as the needs of enterprises, and will review from time to time the operation of the BUD Fund to ensure that adequate support is provided to enterprises.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)061

(Question Serial No. 2820)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The number of visitor arrivals to Hong Kong was estimated to be 65.10 million in 2018. Please advise this Committee of:

- (1) the information related to visitor arrivals from 2016 to 2018 by month as set out in the table below:

Source Market	Number of Visitor Arrivals	
	Overnight Visitors	Same-day Visitors
Mainland China		
Mainland Visitors travelling under the Individual Visit Scheme (IVS) (excluding "One Trip per Week")		
Mainland Visitors travelling on Endorsements for Group Visit (so-called "L" Endorsement)		
Other Mainland Visitors not travelling under the IVS		
"One Trip per Week" Visitors		
Short-haul markets (excluding Mainland China)		
Long-haul markets		
New Markets		

- (2) the information on the number of visitor arrivals travelling on “One Trip per Week” from 2016 to 2018 by month as set out in the table below:

Number of visits to Hong Kong by travellers on “One Trip per Week” Endorsement	Number of Overnight Visitor Arrivals	Number of Same-day Visitor Arrivals
1 to 5		
6 to 10		
11 to 20		
21 to 30		
31 to 40		
41 or above		

- (3) given that the number of visitor arrivals has exceeded 60 million, whether the Government will assess Hong Kong’s capacity to receive tourists again in the light of the latest information on visitor arrivals?

Asked by: Hon FAN Kwok-wai, Gary (LegCo internal reference no.: 1)

Reply:

According to the statistics from the Hong Kong Tourism Board, the numbers of visitor arrivals from 2016 to 2018 by month are as follows:

Source Markets	2016 Overnight Visitor Arrivals (Million)											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Mainland China*	1.45	1.39	1.17	1.41	1.29	1.30	1.73	1.82	1.31	1.54	1.38	1.59
Mainland Visitors travelling under the Individual Visit Scheme (IVS) (excluding “One Trip per Week”)	0.69	0.69	0.49	0.59	0.55	0.57	0.81	0.89	0.57	0.70	0.59	0.79
Mainland Visitors travelling on Endorsements for Group Visit (so-called “L” Endorsement)	0.26	0.25	0.27	0.36	0.30	0.29	0.42	0.42	0.29	0.37	0.36	0.36
Other Mainland Visitors not travelling under the IVS	0.40	0.37	0.35	0.38	0.38	0.37	0.40	0.41	0.38	0.39	0.37	0.36
“One Trip per Week” Visitors	0.10	0.08	0.07	0.08	0.08	0.07	0.09	0.09	0.07	0.09	0.07	0.08
Short-haul markets (excluding Mainland China)	0.47	0.38	0.44	0.43	0.44	0.44	0.45	0.42	0.43	0.43	0.51	0.64
Long-haul markets	0.25	0.20	0.30	0.31	0.25	0.22	0.23	0.22	0.25	0.33	0.31	0.28
New Markets	0.05	0.03	0.05	0.05	0.06	0.06	0.05	0.04	0.05	0.05	0.05	0.05

*Note: Individual figures may not add up to the total due to rounding.

Source Markets	2016 Same-day Visitor Arrivals (Million)											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Mainland China*	2.60	1.98	1.85	2.05	2.03	1.91	2.20	2.22	2.03	2.19	2.01	2.36
Mainland Visitors travelling under the Individual Visit Scheme (IVS) (excluding “One Trip per Week”)	0.80	0.56	0.50	0.56	0.56	0.51	0.65	0.68	0.55	0.66	0.61	0.79
Mainland Visitors travelling on Endorsements for Group Visit (so-called “L” Endorsement)	0.22	0.16	0.15	0.18	0.17	0.14	0.20	0.20	0.16	0.21	0.17	0.24
Other Mainland Visitors not travelling under the IVS	0.68	0.64	0.59	0.69	0.67	0.68	0.69	0.69	0.67	0.68	0.61	0.59
“One Trip per Week” Visitors	0.90	0.63	0.61	0.62	0.63	0.58	0.67	0.66	0.65	0.64	0.62	0.74
Short-haul markets (excluding Mainland China)	0.28	0.23	0.26	0.28	0.26	0.25	0.28	0.26	0.25	0.27	0.26	0.30
Long-haul markets	0.11	0.08	0.12	0.13	0.10	0.09	0.10	0.09	0.09	0.13	0.12	0.11
New Markets	0.02	0.01	0.02	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02

*Note: Individual figures may not add up to the total due to rounding.

Source Markets	2017 Overnight Visitor Arrivals (Million)											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Mainland China*	1.65	1.29	1.32	1.45	1.43	1.31	1.85	1.86	1.39	1.69	1.56	1.74
Mainland Visitors travelling under the Individual Visit Scheme (IVS) (excluding “One Trip per Week”)	0.86	0.62	0.56	0.63	0.63	0.58	0.88	0.90	0.60	0.76	0.68	0.84
Mainland Visitors travelling on Endorsements for Group Visit (so-called “L” Endorsement)	0.29	0.24	0.33	0.38	0.34	0.30	0.50	0.48	0.37	0.45	0.47	0.45
Other Mainland Visitors not travelling under the IVS	0.41	0.37	0.37	0.36	0.38	0.36	0.39	0.40	0.36	0.39	0.35	0.36
“One Trip per Week” Visitors	0.09	0.07	0.06	0.08	0.08	0.07	0.08	0.08	0.07	0.09	0.07	0.09

Source Markets	2017 Overnight Visitor Arrivals (Million)											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Short-haul markets (excluding Mainland China)	0.46	0.46	0.51	0.45	0.46	0.47	0.43	0.44	0.42	0.47	0.52	0.62
Long-haul markets	0.25	0.21	0.30	0.33	0.24	0.22	0.23	0.21	0.24	0.32	0.31	0.28
New Markets	0.04	0.03	0.04	0.05	0.06	0.05	0.04	0.04	0.04	0.05	0.04	0.05

*Note: Individual figures may not add up to the total due to rounding.

Source Markets	2017 Same-day Visitor Arrivals (Million)											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Mainland China*	2.70	1.85	2.01	2.08	2.03	1.79	2.23	2.10	2.18	2.34	2.12	2.50
Mainland Visitors travelling under the Individual Visit Scheme (IVS) (excluding "One Trip per Week")	0.88	0.55	0.59	0.65	0.58	0.50	0.69	0.64	0.64	0.74	0.71	0.91
Mainland Visitors travelling on Endorsements for Group Visit (so-called "L" Endorsement)	0.23	0.15	0.17	0.20	0.17	0.14	0.21	0.20	0.18	0.24	0.21	0.28
Other Mainland Visitors not travelling under the IVS	0.73	0.61	0.66	0.60	0.66	0.62	0.66	0.68	0.65	0.69	0.55	0.51
"One Trip per Week" Visitors	0.86	0.55	0.60	0.62	0.61	0.53	0.66	0.58	0.71	0.67	0.65	0.79
Short-haul markets (excluding Mainland China)	0.26	0.24	0.28	0.28	0.26	0.25	0.27	0.27	0.26	0.28	0.28	0.29
Long-haul markets	0.10	0.08	0.12	0.13	0.10	0.10	0.10	0.09	0.09	0.12	0.12	0.11
New Markets	0.02	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02

*Note: Individual figures may not add up to the total due to rounding.

Source Markets	2018 Overnight Visitor Arrivals (Million)											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Mainland China*	1.59	1.72	1.40	1.58	1.48	1.45	1.84	2.15	1.37	1.74	1.65	1.93
Mainland Visitors travelling under the Individual Visit Scheme (IVS) (excluding "One Trip per Week")	0.76	0.96	0.66	0.71	0.69	0.69	0.94	1.11	0.63	0.84	0.78	0.96

Source Markets	2018 Overnight Visitor Arrivals (Million)											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Mainland Visitors travelling on Endorsements for Group Visit (so-called “L” Endorsement)	0.40	0.32	0.33	0.43	0.38	0.35	0.50	0.57	0.34	0.43	0.46	0.52
Other Mainland Visitors not travelling under the IVS	0.36	0.36	0.34	0.35	0.35	0.34	0.34	0.37	0.34	0.37	0.34	0.36
“One Trip per Week” Visitors	0.08	0.08	0.07	0.08	0.07	0.07	0.07	0.09	0.07	0.09	0.07	0.09
Short-haul markets (excluding Mainland China)	0.51	0.36	0.54	0.45	0.45	0.47	0.39	0.43	0.39	0.44	0.54	0.64
Long-haul markets	0.27	0.19	0.32	0.33	0.25	0.23	0.24	0.23	0.24	0.32	0.33	0.29
New Markets	0.04	0.03	0.04	0.05	0.06	0.05	0.04	0.04	0.04	0.04	0.05	0.05

*Note: Individual figures may not add up to the total due to rounding.

Source Markets	2018 Same-day Visitor Arrivals (Million)											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Mainland China*	2.52	2.68	2.27	2.48	2.33	2.19	2.56	2.68	2.34	2.92	2.98	3.19
Mainland Visitors travelling under the Individual Visit Scheme (IVS) (excluding “One Trip per Week”)	0.88	0.96	0.78	0.90	0.81	0.74	0.94	1.02	0.82	1.14	1.40	1.43
Mainland Visitors travelling on Endorsements for Group Visit (so-called “L” Endorsement)	0.25	0.23	0.22	0.30	0.24	0.21	0.29	0.33	0.23	0.33	0.35	0.42
Other Mainland Visitors not travelling under the IVS	0.59	0.70	0.55	0.56	0.61	0.57	0.60	0.62	0.57	0.69	0.53	0.51
“One Trip per Week” Visitors	0.80	0.79	0.71	0.72	0.68	0.66	0.74	0.71	0.72	0.75	0.70	0.83
Short-haul markets (excluding Mainland China)	0.26	0.21	0.28	0.27	0.26	0.25	0.27	0.26	0.24	0.29	0.32	0.35
Long-haul markets	0.11	0.08	0.13	0.13	0.10	0.10	0.10	0.10	0.09	0.13	0.12	0.11
New Markets	0.02	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.01	0.02	0.02	0.02

*Note: Individual figures may not add up to the total due to rounding.

The Government does not maintain the statistics that part (2) of the question requests for.

The tourist receiving capability of a tourism destination depends on many different factors, including the travel modes of visitors from various source markets, the attractions and facilities of the travel destination, the types of tourism products available in the market, etc. Furthermore, there is no universally accepted way to set a cap on tourist receiving capability. The Government will continue to be proactive in enhancing Hong Kong's various ancillary tourism facilities, so as to increase the city's tourist receiving capability and balance the impact of the tourism industry on the economy and people's livelihood.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)062

(Question Serial No. 4530)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2019-20, the Hong Kong Tourism Board (HKTB) will deploy 77% of its total marketing budget to the non-Mainland markets; and the remaining 23% to the Mainland market, of which 90% will be deployed to non-Guangdong region. Please provide this Committee with:

- (1) a breakdown, by country and region, of the actual marketing expenditure incurred by the HKTB for source markets in the past 3 years (i.e. 2016-17 to 2018-19); and
- (2) a breakdown, by country and region, of the estimated marketing expenditure to be incurred by the HKTB for source markets in 2019-20.

Asked by: Hon FAN Kwok-wai, Gary (LegCo internal reference no.: 74)

Reply:

In 2019-20, HKTB will continue to focus its marketing resources on 20 key markets, which together generate approximately 96% of all visitor arrivals to Hong Kong. HKTB's actual marketing expenditure in 2016-17 and 2017-18, revised marketing budget in 2018-19, and proposed marketing budget in 2019-20 in key source markets are listed below:

(HK\$ million)	2019-20 Proposed Budget [#] (percentage of overall marketing budget)	2018-19 Revised Budget [*] (percentage of overall marketing budget)	2017-18 Actual Expenditure [~] (percentage of overall marketing expenditure)	2016-17 Actual Expenditure [~] (percentage of overall marketing expenditure)
<i>The Mainland</i>	39.2 (23.1%)	66.8 (30.0%)	65.9 (30.5%)	105.4 (38.2%)
South China	7.8 (4.6%)	20.0 (9.0%)	19.8(9.2%)	31.6 (11.5%)
<i>Non-Guangdong</i>	3.9 (2.3%)	6.7 (3.0%)	6.6 (3.1%)	11.0 (4.0%)
<i>Guangdong</i>	3.9 (2.3%)	13.4 (6.0%)	13.2 (6.1%)	20.6 (7.5%)
Central China	11.8 (7.0%)	15.4 (6.9%)	16.5 (7.6%)	21.0 (7.6%)
East China	7.9 (4.6%)	11.4 (5.1%)	9.9 (4.6%)	23.0 (8.3%)
North China	11.8 (7.0%)	20.0 (9.0%)	19.8 (9.2%)	29.8 (10.8%)
<i>Short-haul Markets</i>	74.9 (44.1%)	96.5 (43.3%)	87.6 (40.6%)	104.9 (38.1%)
Japan	12.3 (7.3%)	15.6 (7.0%)	17.9 (8.3%)	17.5 (6.3%)
Taiwan	12.1 (7.2%)	19.3 (8.7%)	11.8 (5.5%)	17.1 (6.2%)
South Korea	15.2 (8.9%)	18.5 (8.3%)	18.2 (8.4%)	20.6 (7.5%)
Singapore	4.4 (2.6%)	4.8 (2.2%)	5.4 (2.5%)	8.3 (3.0%)
The Philippines	8.1 (4.8%)	11.3 (5.1%)	11.3 (5.3%)	13.5 (4.9%)
Malaysia	6.5 (3.9%)	7.3 (3.3%)	7.2 (3.3%)	8.5 (3.1%)
Indonesia	7.1 (4.2%)	9.6 (4.3%)	6.4 (3.0%)	8.4 (3.1%)
Thailand	9.2 (5.4%)	10.0 (4.5%)	9.5 (4.4%)	11.0 (4.0%)
<i>Long-haul Markets</i>	42.6 (25.1%)	44.8 (20.1%)	44.3 (20.5%)	43.0 (15.6%)
The US	14.9 (8.8%)	16.3 (7.3%)	15.6 (7.2%)	14.8 (5.4%)
Australia	8.5 (5.0%)	8.5 (3.8%)	8.8 (4.1%)	9.0 (3.3%)
The UK	7.6 (4.5%)	8.3 (3.7%)	8.1 (3.8%)	8.6 (3.1%)
Canada	4.1 (2.4%)	4.2 (1.9%)	3.9 (1.8%)	3.1 (1.1%)
Germany	4.8 (2.8%)	4.8 (2.1%)	4.8 (2.2%)	4.6 (1.7%)
France	2.8 (1.7%)	2.8 (1.3%)	3.0 (1.4%)	2.8 (1.0%)
<i>New Markets</i>	12.7 (7.5%)	14.7 (6.6%)	18.0 (8.3%)	22.4 (8.1%)
India	7.9 (4.7%)	9.9 (4.4%)	12.9 (6.0%)	17.6 (6.4%)
Russia	3.0 (1.8%)	3.0 (1.3%)	3.1 (1.4%)	3.1 (1.1%)
The GCC Markets	0.9 (0.5%)	0.9 (0.4%)	1.3 (0.6%)	1.3 (0.5%)
Vietnam	0.5 (0.3%)	0.5 (0.2%)	0.3 (0.2%)	0.3 (0.1%)
The Netherlands	0.4 (0.2%)	0.4 (0.2%)	0.3 (0.1%)	0.2 (0.1%)
Total	169.4 (100.0%)	222.9 (100.0%)	215.8 (100.0%)	275.7 (100.0%)

Remarks: Owing to rounding, the total may differ from the sum of the individual figures.

This column only shows the recurrent funding that has been granted to HKTB by the Government. However, this does not include the additional fund that has been earmarked to HKTB in the Budget, which amounts to \$326 million in 2019-20. HKTB is planning the allocation of this additional fund to each source market.

* The figures reflected HKTB's revised budget, which included the additional funding provided to HKTB in the 2018-19 Budget.

~ The additional funding earmarked to HKTB in the respective year was included.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)063****(Question Serial No. 4555)**

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Brief Description under Programme (2) that the Commerce, Industry and Tourism Branch is responsible under this Programme for leading and co-ordinating the work on the Belt and Road Initiative, including strategy formulation and implementation of programmes and measures with a view to seeking out Belt and Road related business opportunities. Please advise this Committee of:

- (1) the establishment, manpower resources and operational expenses for leading and co-ordinating the work on the Belt and Road Initiative from 2017-18 to 2018-19;
- (2) the estimated establishment, manpower resources and operational expenses for leading and co-ordinating the work on the Belt and Road Initiative in 2019-20;
- (3) the details of and expenditure incurred for the visits of major Belt and Road countries and regions by the professional services sector, commerce and industry sector and organisations in Hong Kong over the past 3 years from 2016-17 to 2018-19 in the table below.

Date of visit	Nature of the professional services sector joining the visits	Number of people from the professional services sector joining the visits	Number of Government officials joining the visits	Expenditure incurred

Asked by: Hon FAN Kwok-wai, Gary (LegCo internal reference no.: 100)

Reply:

The establishment, manpower resources and operational expenses for leading and co-ordinating the work on the Belt and Road Initiative (B&RI) from 2017-18 to 2018-19 had been subsumed under the overall expenditure of the Belt and Road Office (BRO) in the relevant financial years, and we do not have a further breakdown of the expenditure. The establishment in 2017-18 and 2018-19 was 16 and 19 respectively, and the estimated overall expenditure was about \$35.038 million and \$39.137 million respectively.

The estimated establishment, manpower resources and operational expenses for leading and co-ordinating the work on the B&RI in 2019-20 has been subsumed under the overall expenditure of the BRO for 2019-20, and we do not have a further breakdown of the expenditure. The establishment in 2019-20 is 21, and the estimated overall expenditure of the BRO is about \$39.958 million.

The BRO of the Commerce and Economic Development Bureau organised the following business and professional missions in the past two years, as detailed below –

Date and Place of visits	Nature of the professional services sector joining the visits	Number of delegates joining the visits*	Number of Government officials joining the visits **
19-23 March 2018 Cambodia and Vietnam	commerce and industry, accounting and finance, legal and dispute resolution services, and start-ups, etc.	48	4
18-22 March 2019 Georgia and Hungary	commerce and industry, accounting, finance, insurance, infrastructure and real estate development, legal and dispute resolution services, transport and logistics, telecommunications and start-ups, etc.	33	5

* including participants from the professional services sector

** officials of the BRO

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)064

(Question Serial No. 4556)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is pointed out in Matters Requiring Special Attention in 2019-20 under Programme (7) that the Government will continue to stage light shows and enhanced "A Symphony of Lights" to showcase the night vista of Hong Kong. Will the Government inform this Committee of:

- (1) the expenditure and manpower spent by the Government on "A Symphony of Lights" in the past 2 years in 2017 and 2018;
- (2) the electricity or energy consumed by "A Symphony of Lights" in the past 2 years in 2017 and 2018;
- (3) the estimated expenditure and manpower to be spent by the Government on "A Symphony of Lights" in 2019-20.

Asked by: Hon FAN Kwok-wai, Gary (LegCo internal reference no.: 101)

Reply:

In 2017-18, the Government provided an additional funding of \$100 million to the Hong Kong Tourism Board (HKTb) for launching light shows and updating "A Symphony of Lights" (SoL) for three consecutive years (from 2017-18 to 2019-20) with a view to providing visitors with a new experience. The staffing for the project is absorbed by the existing establishment of HKTb, and it is difficult to quantify separately.

The electricity consumed in SoL is arranged by the participating buildings. We do not have the consumption figures. In promoting tourism development in Hong Kong, we also attach importance to and support environmental protection. SoL was implemented under the principles of environmental protection and energy conservation. The lighting installations used by participating buildings are generally energy efficient.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)065

(Question Serial No. 0245)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the development of Hong Kong's cruise industry, will the Government inform this Committee of the following:

1. What were the numbers and dates of meeting of the Advisory Committee on Cruise Industry in the past 3 years?
2. What were the respective numbers of cruise berthing in Hong Kong and neighbouring areas such as Shanghai, Singapore and Taipei in the past 3 years?
3. What are the details of the work on promoting the Asia Cruise Cooperation partnering port network? How many cruise vessels used Hong Kong as a new berthing port through partnership with the Asia Cruise Cooperation in the past 3 years?
4. What were the respective numbers of cruise passengers from Southern and Western China, India, Taiwan, Southeast Asia and North Asia in the past 3 years? By promoting the development of cruise industry, how many additional cruise passengers from the above areas can be expected in the next 3 years?

Asked by: Hon HO Kai-ming (LegCo internal reference no.: 25)

Reply:

The numbers and dates of meeting of the Advisory Committee on Cruise Industry in the past 3 years are tabulated below -

Year	Number of meetings (dates)
2016-17	3 (4 May 2016, 21 December 2016, 15 February 2017)
2017-18	3 (5 April 2017, 31 August 2017, 14 December 2017)
2018-19	3 (3 April 2018, 13 September 2018, 3 January 2019)

The numbers of ship calls in Hong Kong in the past 3 years are tabulated below -

Year	Number of ship calls
2016	191
2017	245
2018	210

We have no record on the number of ship calls of other ports.

In 2019-20, the Hong Kong Tourism Board (HKTb) will continue to promote Asia Cruise Cooperation (ACC), through introducing member ports' latest development to the management of major cruise lines in international cruise events such as Seatrade Cruise Global, and encouraging them to include Hong Kong and other member ports into their itineraries with subsidies provided by respective member ports. The ACC will also launch joint promotions in key source markets, such as the newly released regional TV programme "Cruise the World", so as to attract consumers to choose cruise products featuring member ports.

As the HKTb has been encouraging cruise lines to include Hong Kong in their itineraries through promotion efforts on various fronts, it is difficult to break down and quantify the number of cruise ships which add Hong Kong to their itineraries due to the promotion of ACC.

The numbers of cruise passengers from Mainland China (there is no breakdown according to regions within Mainland China), India, Taiwan, Southeast Asia and North Asia in the past 3 years are tabulated below -

Year	Mainland China	India	Taiwan	Southeast Asia	North Asia (including Japan and South Korea)
2016	251,946	4,827	8,565	24,028	5,806
2017	207,986	12,399	39,550	66,006	13,993
2018	215,789	17,103	34,816	28,406	13,094

When the Government was considering the construction of the Kai Tak Cruise Terminal, the Government projected that the cruise passenger throughput in Hong Kong as a whole would range from 564 102 to 1041 031 by 2023, which does not include separate projections for individual source markets.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)066

(Question Serial No. 0873)

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

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

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

As regards monitoring the Post Office Trading Fund (POTF), will the Government advise this Committee of the following:

1. What is the detailed progress of the POTF's feasibility studies on redevelopment of the Air Mail Centre, and when will the studies be completed?
2. For the purpose of ensuring the smooth operation of the POTF, has the Government studied the suitability of the Post Office for continuous operation as a trading fund? If it has, what are the details? If not, will the Government set aside funding for a study?

Asked by: Hon HO Kai-ming (LegCo internal reference no.: 68)

Reply:

Hongkong Post (HKP) is conducting the technical feasibility and financial viability studies for the redevelopment of the Air Mail Centre, which are expected to be completed by mid-2019.

We have no plan to change the current mode of operation of the HKP as a trading fund, and have not allocated any budget for any related study. Under the trading fund arrangement, HKP can manage its resources in a more flexible manner to better achieve cost-effectiveness, and to formulate appropriate business strategies in response to changes in the operating environment. HKP will continue to explore and implement measures to contain expenditures, increase revenues and enhance productivity, so as to provide customers with quality, reliable and value-for-money services.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)067

(Question Serial No. 2734)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding “continue to co-ordinate with relevant government departments and the tourism sector to facilitate the smooth operation of the Hong Kong Wetland Park, Ngong Ping 360 and the peak tramway” in Programme (6) Travel and Tourism under Head 152 – Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch):

1. What is the current progress of the upgrading plan of the peak tramway? Is the works schedule different from what was originally expected (for example, whether the Peak Tramways Company Limited [PTC] has been granted additional land, and whether the upgrading project commenced in end-2018)?
2. Apart from expansion works, what specific measures will be introduced in 2019-20 to improve the traffic arrangements of the Lower Terminus at Garden Road? Will the PTC have any plan to alleviate the queuing problem for tourists waiting at both termini?

Asked by: Hon HUI Chi-fung (LegCo internal reference no.: 6)

Reply:

The Government has granted the relevant short term tenancy to the Peak Tramways Company Limited (PTC) in end 2018 for the implementation of its upgrading plan, including the additional land necessary for the plan. PTC has embarked on the related works subsequently. At present, the progress of the upgrading plan is on schedule, and the Government will continue to closely monitor the progress of the upgrading plan carried out by PTC.

Before the implementation of its upgrading plan, PTC has provided additional queuing railings and safety facilities opposite to the Lower Terminus (i.e. the area outside Hong Kong Park Sports Centre) to improve the queuing area which in turn helps ensure that the passengers heading to the Lower Terminus can cross the road in a safe and orderly manner. A canopy, with 1.4 metres wide and 18.2 metres long, has been erected outside the Upper Terminus to shelter about 75 waiting passengers. In the waiting areas, additional staff have been deployed and signages indicating the estimated waiting time have also been put along the queue for passengers' information. Besides, PTC has recently launched a new ticketing system aimed at evening out the passenger demand throughout the day, and is testing some advanced features to improve the ticketing arrangement such as timed ticketing.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)068

(Question Serial No. 0909)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Commerce, Industry and Tourism Branch is tasked to lead and co-ordinate the Government's work on the Belt and Road Initiative with a view to seeking out Belt and Road related business opportunities for Hong Kong. Would the Government please inform this Committee of the following:

- (1) the current situation and specific complementary measures in respect of the work on the Belt and Road Initiative;
- (2) the estimated expenditure in the 2019-20 financial year;
- (3) the long-term financial arrangements.

Asked by: Hon IP LAU Suk-ye, Regina (LegCo internal reference no.: 11)

Reply:

In the current-term Government, the Commerce and Economic Development Bureau (CEDB) has been tasked to lead and co-ordinate the work of the HKSAR Government on the Belt and Road Initiative (B&RI), which has been integrated as part and parcel of the overall CEDB's portfolio. Its Belt and Road Office (BRO) specifically supports the Secretary for Commerce and Economic Development in taking forward the work on the B&RI.

Riding on our various unique advantages, and in view of the opportunities and challenges, the Government has adopted a "whole-government approach" and a five-pronged key strategy in the pursuit of the B&RI on continuous engagement with the Mainland and Belt and Road related countries and regions, with a view to establishing Hong Kong as both a key link and the prime Belt and Road services platform. These themes include (i) enhancing policy co-ordination; (ii) fully leveraging Hong Kong's unique advantages; (iii) making the best use of Hong Kong's position as the professional services hub; (iv) promoting project participation; and (v) establishing partnership and collaboration.

The existing establishment of the BRO is 19, and the establishment will be 21 in 2019-20.

The estimated overall expenditure of the BRO for 2019-20 is about \$39.958 million, of which salaries accounts for \$19.379 million, and operating expenses for \$20.579 million. In the long term, depending on the manpower and resources requirements of the BRO, its allocation will be suitably adjusted.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)069

(Question Serial No. 0910)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Food Truck Pilot Scheme was announced by the Financial Secretary in the 2015-16 Budget. In 2018, though admitting that the business performance of some food trucks was just average, the Government maintained there was room for business for food trucks and decided to extend the Scheme for two more years. Will the Government advise this Committee on:

- (1) the operating condition of food trucks since 2016;
- (2) the number of food trucks achieving breakeven;
- (3) the criteria for the Government to determine there was room for business for food trucks;
- (4) the Government's long-term plan for food trucks; and
- (5) whether the Government has allocated resources to promote Hong Kong's food trucks? If yes, what are the financial commitment involved and the details? If no, what are the reasons?

Asked by: Hon Mrs Regina IP LAU Suk-yee (LegCo internal reference no.: 13)

Reply:

The two-year Food Truck Pilot Scheme (the Scheme) was launched on 3 February 2017. 15 food trucks commenced their business successively from February to December 2017. According to the statements of accounts submitted by the food truck operators, the total

gross revenue of 15 food trucks was around \$40 million as at early January 2019. Details are shown in the table below:

Gross revenue (up to early January 2019)	Number of food trucks
Between \$4 million and \$4.5 million	Two
Between \$3.5 million and \$4 million	One
Between \$3 million and \$3.5 million	Three
Between \$2.5 million and \$3 million	Four
Between \$2 million and \$2.5 million	One
Between \$1.5 million and \$2 million	Three
Below \$1.5 million	One (The food truck commenced business in December 2017)

The Tourism Commission (TC) does not keep information on the operating cost of each food truck and thus is not able to comment on how many food trucks have reached break-even.

The Government has evaluated the effectiveness of the Scheme mainly based on the business performance of the food trucks. As seen from the table of revenue distribution of food trucks above, the business performance of 15 food trucks varied significantly. Some food trucks performed relatively better or even opened brick-and-mortar shops. If we make reference to the aggregate performance statistics of other eating and drinking places in Hong Kong for 2017 as compiled by the Census and Statistics Department, the business performance of three food trucks is comparable to that of other eating and drinking places of similar scale as at early January 2019. This reflects that more time can be given for observing their performance. Hence we decide to extend the Scheme for two more years up to February 2021 with a view to allowing sufficient time for the Scheme to be tested out in the market.

Starting from 3 February 2019, the Scheme is extended for two more years. The existing 15 food trucks continue to participate in the Scheme and the agreements for the extension period between the operators and the operating venues are being renewed successively. During the extension period of the Scheme, TC will continue to look for other new operating venues where practicable, including outside of the Passenger Clearance Building of Hong Kong-Zhuhai-Macao Bridge Hong Kong Port, and to encourage relevant government departments to consider engaging food trucks in events organised or sponsored by them. We will prepare the final evaluation report in respect of the future direction of the Scheme in 2020.

The Government has earmarked \$5.736 million in 2019-20 for running the Scheme. The manpower and expenditure on the promotion cum publicity have been subsumed within the establishment and provision of the Food Truck Office, and it is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)070

(Question Serial No. 0911)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget that an additional sum of \$353 million will be allocated to implement the Development Blueprint for Hong Kong's Tourism Industry. Will the Government inform this Committee of:

- (1) the detailed estimated expenditure in the 2019-20 financial year regarding the additional provision; and
- (2) the existing tourist hotspots provided with Wi-Fi service, as well as those expected to be provided with Wi-Fi service in 2019-20? Please specify their locations.

Asked by: Hon IP LAU Suk-ye, Regina (LegCo internal reference no.: 17)

Reply:

To strengthen Hong Kong's competitiveness as the major tourism destination in the region and further exploit the potential of local tourism resources, the Government of this term sets out a comprehensive "Development Blueprint for Hong Kong's Tourism Industry" (the Development Blueprint) in 2017, which outlines the vision and mission of developing Hong Kong into a world-class premier tourism destination and ensuring the balanced, healthy and sustainable development of the industry through implementing various strategies and initiatives.

To continue to implement the Development Blueprint, the Government has allocated an additional \$353 million in 2019-20 for the tourism industry, including the additional funding of \$326 million for the Hong Kong Tourism Board (HKTB), and the remaining \$26.8 million for the Tourism Commission (TC) mainly for taking forward six new initiatives to promote tourism development. These new initiatives will be rolled out progressively within the next few years starting from 2019-20, and the estimated expenditure for these new initiatives is shown in the following tables –

Hong Kong Tourism Board

Tourism initiatives to be implemented	Additional funding amount in 2019-20 (\$ million)
<p>Strategy 1: To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</p> <ul style="list-style-type: none"> ● Stepping up promotion of Hong Kong’s tourism brand in source markets ● Promoting district programmes ● Waiving participation fees of local travel trade in joining overseas promotions ● Participating in overseas promotion events organised by the Hong Kong Trade Development Council ● Launching overseas promotion for new tourism offerings ● Developing new source markets ● Stepping up tourism promotion on multi-destination itineraries by leveraging the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge ● Conducting studies on the business opportunities and travel trends stemming from the Belt-and-Road (B&R) Initiative, the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) and new infrastructures ● Participating in China International Import Expo 	131.3
<p>Strategy 2: To nurture and develop tourism products and initiatives with local and international characteristics</p> <ul style="list-style-type: none"> ● Implementing Pilot Scheme for Characteristic Local Tourism Events ● Stepping up promotion of green tourism ● Enriching mega events’ content and enhancing promotion of various large-scale events ● Stepping up promotion of MICE tourism ● Stepping up promotion of cruise tourism ● Promoting Hong Kong-Japan Tourism Year 	167
<p>Strategy 3: To develop smart tourism</p> <ul style="list-style-type: none"> ● Rolling out initiatives to promote smart tourism ● Revamping discoverhongkong.com website 	14.18
<p>Strategy 4: To upgrade the service quality of tourism industry</p> <ul style="list-style-type: none"> ● Stepping up promotion of the “Quality and Honest Hong Kong Tours” and the “Quality Tourism Services” schemes ● Promoting quality hospitality riding on the 20th anniversary of the establishment of the “Quality Tourism Services” scheme ● Supporting the establishment of HKTB Visitor Centres 	13.7
Total	326.2

Tourism Commission

Tourism initiatives to be implemented	Additional funding amount in 2019-20 (\$ million)
<p><u>Strategy 1:</u> To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</p> <ul style="list-style-type: none"> Allocating additional funding to the Travel Industry Council of Hong Kong (TIC) for strengthening its web-based tourism resource platform about B&R related countries and regions and Greater Bay Area cities 	2
<p><u>Strategy 2:</u> To nurture and develop tourism products and initiatives with local and international characteristics</p> <ul style="list-style-type: none"> Commissioning a consultancy study to review the exhibition and visitor facilities of Hong Kong Wetland Park Enhancing the facilities and services of Ngong Ping Nature Centre to complement the improvement scheme for the hiking trails in the vicinity 	9.2
<p><u>Strategy 3:</u> To develop smart tourism</p> <ul style="list-style-type: none"> Commissioning a consultancy study on promotion of smart tourism Extending the official smart landing page, “Visit Hong Kong”, to other boundary control points 	4.5
<p><u>Strategy 4:</u> To upgrade the service quality of tourism industry</p> <ul style="list-style-type: none"> Allocating additional funding to TIC for promoting business co-operation through trade forums or exchange visits in B&R related countries and regions and Greater Bay Area cities, as well as enhancing the service quality of the travel trade through training initiatives 	4
<i>Sub-total</i>	<i>19.7</i>
Other initiatives under implementation	
Supporting the appeal panel under the new regulatory regime of the travel industry, the extension of food truck pilot scheme for two years, and providing additional manpower to implement other on-going initiatives under the Development Blueprint	7.1
<i>Total</i>	<i>26.8</i>

As regards the “Wi-Fi.HK” hotspots, the Finance Committee of the Legislative Council approved in May 2016 a funding commitment of \$500 million for implementing the “Wi-Fi Connected City” programme to progressively expand the coverage of free Wi-Fi services to more public and private venues, bringing convenience for the public and visitors to access the Internet at different locations at any time. As of February 2019, the number of “Wi-Fi.HK” hotspots has exceeded 23 100, covering locations that are popular with our visitors such as Tsim Sha Tsui Promenade, Stanley Promenade, and Hong Kong Cultural Centre and museums (including the Hong Kong Space Museum and the Hong Kong Science Museum). In addition, popular tourist spots such as Ocean Park, Hong Kong Disneyland Resort and Sik Sik Yuen Wong Tai Sin Temple have also participated in the programme to provide “Wi-Fi.HK” hotspots. We are studying the installation of “Wi-Fi.HK” hotspots at

piers for some tourist attractions such as Ma Liu Shui Pier. Moreover, in 2018-19 we have implemented high-speed Internet access points for the “Wi-Fi.HK” hotspots at the Golden Bauhinia Square, Temple Street Pai Lau (near Jordan Road), the Passenger Clearance Building of the Hong Kong-Zhuhai-Macao Bridge, the Peak and the Kowloon Visitor Centre at Tsim Sha Tsui Pier, with an average Internet speed reaching 100Mbps. We will continue to explore other suitable tourist locations for setting up “Wi-Fi.HK” hotspots to provide convenience for visitors to access the Internet.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)071

(Question Serial No. 0912)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government signed the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) with the Mainland in 2003 to facilitate economic and trading activities of Hong Kong residents in the Mainland. In this connection, please inform this Committee of the following:

- (1) The specific figures on economic and trading activities engaged by Hong Kong residents or body corporates in the Mainland through application for a CEPA certificate between 2013 and 2018. Please provide a breakdown by sector;
- (2) The figures on request for assistance and their categories of Hong Kong residents or body corporates engaging in activities under the certificate. Please provide a breakdown by sector; and
- (3) The hours of work, establishment and estimate for handling the relevant applications or requests for assistance.

Asked by: Hon IP LAU Suk-ye, Regina (LegCo internal reference no.: 18)

Reply:

The HKSAR Government is committed to assisting Hong Kong businesses in accessing the Mainland market through the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), by seeking various preferential and facilitation measures for the trade, lowering the entry threshold and relaxing the scope of services, etc. In order to enjoy the preferential treatment under CEPA, an enterprise could apply to the Trade and Industry Department (TID) for a Hong Kong Service Supplier Certificate (HKSS Certificate), and then apply to the relevant Mainland authorities for providing services in the Mainland with CEPA treatment.

In the past five years, the TID approved about 500 HKSS Certificate applications per annum (see Table 1). The most popular sectors are transport and logistics, air transport, and placement and supply services of personnel.

Table 1: HKSS Certificate applications approved in the past five years (by service sectors)

Year	2018	2017	2016	2015	2014
Legal services	3	1	4	2	3
Accounting, auditing and bookkeeping services	1	0	1	0	0
Education services	1	1	5	2	1
Medical and dental services	13	22	24	17	12
Other human health services	1	0	0	1	2
Real estate services	1	2	3	4	3
Construction professional services and construction and related engineering services	12	8	13	8	14
Research and experimental development services on natural sciences and engineering	1	0	0	1	0
Placement and supply services of personnel	27	26	34	23	38
Computer and related services and information technology services	2	4	3	3	2
Value-added telecommunications services	16	16	16	8	10
Telecommunication services	0	4	0	3	1
Audiovisual services	25	16	34	19	26
Cultural services	10	12	9	11	8
Distribution services	12	6	16	8	21
Insurance and insurance-related services	8	4	11	6	5
Banking and other financial services	5	0	5	0	6
Securities and futures services	27	34	57	21	5
Travel related services	12	14	12	11	16
Environmental services	0	1	0	0	0
Transport and logistics services	150	145	149	178	181
Air transport services	141	149	123	142	156
Advertising services	8	9	9	19	27
Trade mark agency services	1	2	0	1	1
Printing services	1	4	3	7	8
Photographic services	0	0	1	0	2
Convention and exhibition services	1	0	2	0	4

Year	2018	2017	2016	2015	2014
Management consulting and related services	2	4	4	2	8
Administrative and support services	6	8	4	5	2
Factoring services	2	0	0	1	2
Rental/Leasing services	0	2	0	3	1
Other business services	2	3	1	4	2
Services incidental to manufacturing	1	1	3	2	1
Building-cleaning services	0	1	0	0	0
Services related to agriculture, forestry and fishing	0	1	0	0	0
Technical testing and analysis services	1	0	0	0	0
Total	493	500	546	512	568

In the past five years, the number of enquiries relating to HKSS Certificate received by TID per annum is set out in Table 2. The enquiries include application procedures, documentation requirements and renewal arrangement for HKSS Certificate, as well as sector-specific commitments. There are no breakdown figures by sector for such enquiries.

Table 2 : Enquiries relating to HKSS Certificate in the past five years

Year	2018	2017	2016	2015	2014
HKSS Certificate-related matters	7,169	8,633	9,937	7,811	7,630

The above work is undertaken by the TID. The relevant manpower and expenditure have been subsumed under the establishment and provision of the department. It is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)072

(Question Serial No. 2592)

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

Subhead (No. & title): (000) Operational expenses

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please advise this Committee on the following:

- (1) as far as beauty parlours are concerned, the respective numbers of complaints against (a) failing to provide relevant services, (b) service quality and (c) unfair trade practices, as well as the lowest, highest, median and average amounts of contract sum involved in the past 5 years;
- (2) as far as fitness centres are concerned, the respective numbers of complaints against (a) failing to provide relevant services, (b) service quality and (c) unfair trade practices, as well as the lowest, highest, median and average amounts of contract sum involved in the past 5 years;
- (3) as far as photo-taking services for weddings are concerned, the respective numbers of complaints against (a) failing to provide relevant services, (b) service quality and (c) unfair trade practices, as well as the lowest, highest, median and average amounts of contract sum involved in the past 5 years;
- (4) as far as telecommunications services are concerned, the respective numbers of complaints against (a) failing to provide relevant services, (b) service quality and (c) unfair trade practices, as well as the lowest, highest, median and average amounts of contract sum involved in the past 5 years; and
- (5) as far as timeshare contracts are concerned, the respective numbers of complaints against (a) failing to provide relevant services, (b) service quality and (c) unfair trade practices, as well as the lowest, highest, median and average amounts of contract sum involved in the past 5 years.

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 3)

Reply:

The numbers of complaint cases related to beauty services, fitness services, photo-taking services for weddings, telecommunications services, and time-sharing / travel club membership services received by the Consumer Council in the past 5 years are set out in the tables below. The listed amounts are based on self-declared information by the complainants who have provided such details when lodging the complaints. Complaints related to sales practices, include complaints involving offences under the Trade Descriptions Ordinance, as well as disputes on price indication and unfair standard contract terms.

Beauty services						
Nature of Complaints	2014	2015	2016	2017	2018	Total
Late/Non-delivery	101	78	51	31	31	292
Quality of Service	344	437	436	375	336	1928
Sales Practices	407	515	444	373	310	2049
Others	288	349	309	368	381	1695
Total	1140	1379	1240	1147	1058	5964
Amount Involved						
Lowest	\$4	\$20	\$38	\$1	\$80	
Highest	\$1,200,000	\$1,124,401	\$2,000,000	\$1,601,642	\$1,200,000	
Median	\$8,800	\$10,000	\$10,000	\$10,000	\$10,000	
Average	\$26,588	\$28,170	\$29,549	\$27,440	\$26,549	

Fitness services						
Nature of Complaints	2014	2015	2016	2017	2018	Total
Late/Non-delivery	16	6	21	5	4	52
Quality of Service	65	74	106	103	123	471
Sales Practices	342	431	329	221	415	1738
Others	97	66	1211	225	470	2069
Total	520	577	1667	554	1012	4330
Amount Involved						
Lowest	\$20	\$38	\$1	\$50	\$35	
Highest	\$978,760	\$1,008,000	\$4,304,980	\$876,216	\$1,755,704	
Median	\$15,456	\$17,850	\$14,856	\$14,884	\$13,152	
Average	\$37,270	\$38,575	\$31,800	\$31,560	\$24,959	

Photo-taking services for weddings						
Nature of Complaints	2014	2015	2016	2017	2018	Total
Late/Non-delivery	20	19	14	11	13	77
Quality of Service	28	9	17	7	9	70
Sales Practices	14	5	16	11	7	53
Others	31	19	16	6	11	83
Total	93	52	63	35	40	283
Amount Involved						
Lowest	\$988	\$20	\$410	\$860	\$2,100	
Highest	\$43,800	\$82,010	\$66,294	\$50,000	\$40,380	
Median	\$10,000	\$11,110	\$10,900	\$14,880	\$15,221	
Average	\$12,525	\$31,525	\$43,598	\$16,811	\$16,032	

Telecommunications services						
Nature of Complaints	2014	2015	2016	2017	2018	Total
Late/Non-delivery	143	99	78	59	67	446
Quality of Service	1071	848	744	851	719	4233
Sales Practices	516	321	277	409	335	1858
Others	4223	2511	1904	1912	1675	12225
Total	5953	3779	3003	3231	2796	18762
Amount Involved						
Lowest	\$1	\$1	\$2	\$1	\$2	
Highest	\$515,789	\$100,449	\$186,008	\$110,000	\$99,999	
Median	\$580	\$500	\$416	\$384	\$329	
Average	\$1,969	\$2,232	\$1,960	\$1,699	\$1,601	

Time-sharing / Travel club membership services						
Nature of Complaints	2014	2015	2016	2017	2018	Total
Late/Non-delivery	3	0	0	0	0	3
Quality of Service	0	2	0	0	0	2
Sales Practices	12	14	23	82	44	175

Time-sharing / Travel club membership services						
Others	2	3	5	12	15	37
Total	17	19	28	94	59	217
Amount Involved						
Lowest	\$8,800	\$2,448	\$1,000	\$300	\$500	
Highest	\$101,033	\$369,000	\$188,360	\$242,334	\$272,215	
Median	\$49,400	\$72,900	\$85,580	\$68,925	\$96,680	
Average	\$51,549	\$94,549	\$71,913	\$64,493	\$78,861	

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)073

(Question Serial No. 2593)

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

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

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government advise this Committee on:

- (1) the number of prosecutions against beauty parlours for contravention of the Trade Descriptions Ordinance (TDO) and the number of successful prosecutions in the past 5 years;
- (2) the number of prosecutions against fitness centres for contravention of the TDO and the number of successful prosecutions in the past 5 years;
- (3) the number of prosecutions against telecommunications services for contravention of the TDO and the number of successful prosecutions in the past 5 years;
- (4) the number of prosecutions against photo-taking services for weddings for contravention of the TDO and the number of successful prosecutions in the past 5 years;
- (5) the number of prosecutions against timeshare contracts for contravention of the TDO and the number of successful prosecutions in the past 5 years; and
- (6) the number of prosecutions against contravention of the TDO and the number of successful prosecutions in the past 5 years?

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 4)

Reply:

From January 2014 to December 2018, 15 cases involving beauty parlours were prosecuted for contravention of the Trade Descriptions Ordinance (TDO), and 10 cases resulted in conviction; one case involving fitness centre was prosecuted and resulted in conviction; one case involving telecommunications service was convicted and resulted in conviction; and there was no prosecution or conviction case against photo-taking services for weddings or timeshare contracts. From January 2014 to December 2018, a total of 398 cases were prosecuted for contravention of the TDO, and 367 cases resulted in conviction.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)074

(Question Serial No. 4768)

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

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

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the planning of Site 3 of the new Central Harbourfront, will the Government advise this Committee of the following:

1. comparison of services provided, floor areas occupied by various sections and numbers of staff of various sections working at the headquarters before and after relocation of the General Post Office (GPO) Building from Central to Kowloon Bay (in table form);
2. timetable for the relocation of the GPO Building in Central and the current progress.

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 363)

Reply:

We will construct the Hongkong Post (HKP) Building in Kowloon Bay to re-provision the Hongkong Post Headquarters (HKP HQs) currently situated in the GPO Building in Central, and to accommodate some out-housed offices and a new delivery office. The facilities and their areas are tabulated as follows:

	Facility	Existing Area (m²) (Note)	Area of the new building (m²) (Note)
<i>To be relocated from the existing GPO Building</i>			
1.	Offices of HKP HQs	5 200 (including 4 570 m ² of HKP HQs offices situated in the existing GPO Building and 630 m ² of the leased office accommodation in Sheung Wan)	6 010 (more area is required for accommodating these facilities in the new building because some sections/units in the existing HKP HQs are under-provided based on Government Property Agency's Schedule of Accommodation (SoA) ; these sections/units will be allocated office accommodation in accordance with the SoA in the new building)
2.	Ancillary Facilities (conference/meeting rooms, reception areas, a building management office, security guard rooms, a service maintenance workshop, vehicles parking spaces, loading/unloading platforms, passenger lifts and cargo lifts, access in offices, etc.)	1 570	900
<i>Out-housed offices and a new Delivery Office</i>			
3.	Post Office Staff Training Centre	710 (currently situated in leased commercial building office in Cheung Sha Wan)	700
4.	Bulk Airmail Centre	1 500 (currently situated in leased industrial building office in Tsuen Wan)	1 370

	Facility	Existing Area (m²) (Note)	Area of the new building (m²) (Note)
5.	Kowloon Bay Post Office	210 (currently situated in leased office at Sheung Yuet Road, Kowloon Bay)	370
6.	New Kowloon Bay Delivery Office (there is currently no delivery office in Kowloon Bay. Provision of the new delivery office is to provide more efficient delivery service to Kowloon Bay and the newly developed Kai Tak area.)	-	1 260
Total Net Operating Floor Area (NOFA)		9 190	10 610

Note: Rounded off to the nearest tenth of a square meter.

All staff from the HKP HQs currently situated in the GPO Building in Central, relevant out-housed office and the new Kowloon Bay Delivery Office will be relocated to work in the new HKP Building. The total number of staff working in the new HKP Building will be around 900.

The HKP HQs in the GPO Building will be relocated after the completion of the new HKP Building. The district-tied postal facilities in the existing GPO Building, namely GPO Delivery Office, Speedpost Section, Counter Office and the Post Office Box Section, will be reprovisioned within Site 3 of the New Central Harbourfront to the north of Lung Wo Road to maintain the services in the Central district, ensuring that the continuous provision of postal services would not be affected.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)075

(Question Serial No. 7228)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please set out all the claims made by the contractors of the Kai Tak Cruise Terminal, and provide the name of contractors, date of the claims made and the amount claimed.

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 164)

Reply:

The Kai Tak Cruise Terminal mainly involves site formation works and construction of cruise terminal building and ancillary facilities. Under the Conditions of Contract, without the consent of the other party under the Contract, neither the Government nor the Contractor can disclose information of the Contract, including the related claims and compensations.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)076

(Question Serial No. 2500)

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

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

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

According to the Analysis of Financial and Staffing Provision, 1 post will be created under Programme (1) Director of Bureau's Office. Please inform this Committee of the title, salary, responsibilities and immediate supervisor of such post. In addition, please set out in tabular form the details of the duty visits made by the Secretary for Commerce and Economic Development (SCED) to the Mainland and overseas in the 2018-19 financial year, including but not limited to the following:

1. Date
2. Total number of days
3. Country and city
4. Expenses on flight tickets
5. Flight ticket class
6. Flight time of each journey
7. Hotel accommodation expenses
8. Name of residing hotel
9. Local transportation expenses
10. Reasons for visit
11. Purposes of visit
12. Outcomes of visit
13. Number of meetings with government officials and their respective ranks (Vice Minister or above)
14. Number of entourage members
15. Total expenditure incurred by entourage members
16. Total expenditure incurred by SCED and entourage members for the visit

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 51)

Reply:

In 2019-20, 1 Executive Officer I post will be created under Programme (1) to replace a non-civil service contract position for providing executive support. The salaries estimate of the post is \$0.767 million and the post holder will be work to a Senior Executive Officer.

Relevant information on the overseas duty visits of the Secretary for Commerce and Economic Development (including the entourage members) in 2018-19 (as at 28 February 2019) is at Appendix.

Appendix

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of overseas duty visit	Number of entourage members	Passage expenses (A)	Hotel expenses (B)	Other expenses ^{Note 1} (C)	Total expenditure (A)+(B)+(C)
2018-19 (as at 28.2.2019) (13 times)	Greater Bay Area cities, Indonesia (Jakarta), Papua New Guinea (Port Moresby)*, Beijing*, France (Paris and Burgundy), the Netherlands (Amsterdam), USA (Washington), Canada (Ottawa and Montreal), Shanghai*, Japan (Tokyo), Shenzhen*, Switzerland (Davos) and Thailand (Bangkok)*	Attending international conferences (e.g. informal ministerial meetings of the World Trade Organisation and ministerial meetings of Asia-Pacific Economic Cooperation), attending bilateral and multilateral meetings and events; providing updates on Hong Kong's latest economic development; promoting Hong Kong's role in the Belt and Road Initiative; promoting business opportunities and overall image of Hong Kong; meeting with chambers of commerce, related organisations and Hong Kong people.	1-2 each time	About HK\$989,000	About HK\$180,000	About HK\$185,000	About HK\$1,354,000

* The visit received sponsorship (such as hotel accommodation and/or local transportation) offered by government agencies /organisers of conferences or events, but the actual value of the sponsorship is not available.

Note 1: Other expenses include payment of subsistence allowance for duty outside Hong Kong and sundry expenses (if applicable).

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)077

(Question Serial No. 2501)

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

Subhead (No. & title): (000) Operational expenses

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please set out in table form the work of the SAR Economic and Trade Offices (ETOs) in New York, San Francisco and Washington D.C. for the period from July 2017 to 28 February 2019 in response to the trade war between China and the United States (U.S.) as well as the U.S. – Hong Kong Policy Act Report submitted regularly by the U.S. Department of State, including but not limited to the following:

1. the liaison and lobbying efforts targeting the U.S. Government (please specify the date and agenda of each meeting with a full list of attendees including the staff of the said ETOs);
2. the liaison and lobbying efforts targeting Members of the U.S. Senate or House of Representatives (please specify the date and agenda of each meeting with a full list of attendees including the staff of the said ETOs);
3. the liaison and lobbying efforts targeting American think tanks (please specify the date and agenda of each meeting with a full list of attendees including the staff of the said ETOs);
4. the liaison and lobbying efforts targeting non-governmental organisations of the U.S. (please specify the date and agenda of each meeting with a full list of attendees including the staff of the said ETOs); and
5. articles submitted to and published in U.S. newspapers (please specify the date of each publication; titles, circulation and readership of the newspapers, and their hyperlinks).

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 52)

Reply:

The Economic and Trade Offices (ETOs) in Washington D.C., New York and San Francisco have all along maintained regular contact with various sectors in the United States, meeting from time to time with relevant government officials, Congressmen and their staffers, think tanks as well as other organisations and individuals to brief them on the latest developments in Hong Kong and to explain to them Hong Kong's unique status under "one country, two systems" as well as our own various advantages, and to state Hong Kong's position on issues of mutual concern. The relevant work is part of the regular duties of the ETOs.

The activities of overseas ETOs are set out in Head 96 – Government Secretariat: Overseas Economic and Trade Offices. For example, under Programme (2) Public Relations of the Head, in 2018, the Washington ETO made 178 calls on senior government officials/organisations (including Congressmen); gave 93 media interviews/briefings; and issued 83 newsletters, pamphlets and press releases. The New York and San Francisco ETOs also made a total of 115 calls on senior government officials/organisations; gave 135 media interviews/briefings; and issued 481 newsletters, pamphlets and press releases.

Given the large number of organisations and persons involved, we have not provided the requested details of each of the liaison work.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)078

(Question Serial No. 2502)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please tabulate all voting records of the Permanent Representative of the Hong Kong Special Administrative Region of the People's Republic of China to the WTO and his/her representative at the World Trade Organisation (WTO) from July 2017 to 28 February 2018. Please also list the relevant dates and motions.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 54)

Reply:

The World Trade Organization adopts the practice of decision-making by consensus. While it is provided in the "Marrakesh Agreement Establishing the World Trade Organization" that, where a decision cannot be arrived at by consensus, the matter at issue shall be decided by voting, there had been no voting conducted between July 2017 and February 2018.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)079

(Question Serial No. 2503)

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

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

Programme: (9) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Competition Commission (the Commission), will the Government inform this Committee of:

- (1) the justifications for launching only 1 major market study under the 2019-20 Estimates;
- (2) the reasons for the decrease in the number of events, seminars, conferences and exhibitions conducted in 2018-19;
- (3) the reasons for maintaining the participation in 8 and not more major international events, seminars and conferences;
- (4) in table form, the campaigns, education programmes, outreach activities, seminars and presentations conducted over the past 2 financial years, setting out for each event its category (namely campaign, education programme, outreach activity, seminar and presentation), date, time, venue, number of participants, name(s) of speaker(s), number of speaker(s) and target audience; and
- (5) the advice given by the Commission to the Government and public bodies over the past 2 financial years, detailing for each occasion the matter concerned, the date, the Government's response and whether the Commission was satisfied with the Government's response as well as the reasons for that?

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 61)

Reply:

Carrying out market study is a resource- and time-intensive endeavour. The Competition Commission (the Commission) has to be highly selective in determining topics suitable for such study. They must be matters of public concern with significant implications on competition in Hong Kong. The Commission considers that conducting one market study in 2019-20 is appropriate.

The Commission has been reaching out to the public and businesses to enhance their understanding of the Competition Ordinance (CO) and encourage compliance through targeted campaigns and outreach activities in various formats. The number of “events, seminars, conferences and exhibitions conducted” in 2018 include those initiated by the Commission as well as those conducted upon request from stakeholders, such as businesses, trade associations and academic institutes. The Commission believes that the decrease in the number of requests for briefings/meetings in 2018 is due to the growing awareness and understanding of the CO in general.

When selecting international events for participation, the Commission takes into account a number of factors, including the operational needs of the Commission, the relevance and significance of the events as well as budgetary consideration. The Commission will continue to carefully identify and take part in major global and regional conferences, such as the Organisation for Economic Co-operation and Development Global Forum on Competition, the China Competition Policy Forum, as well as events at which the Commission plays a more prominent role, such as the International Competition Network’s Annual Conference and Advocacy Workshop to which the Commission has contributed in its capacity as Working Group Co-chair.

The Commission’s strategic participation in major international events has enabled it to showcase to the international audience its successful capacity building experience, as well as demonstrate Hong Kong’s strong commitment to promoting competition.

In 2017 and 2018, the Commission launched four major publicity/youth education campaigns targeting the general public, businesses, youths and/or students, as well as an international conference attended by representatives from different sectors. In addition, a total of 175 outreach events and activities were organised, with details as follows:

Target Audiences	Types of Events	Number of Events	Approximate Number of Participants	Speakers
General Public and Businesses	Meetings, seminars, briefings, conferences and exhibitions	115	More than 8,500*	Representatives from the Commission and relevant professional bodies
Public Sector	Workshops, seminars and trainings	20	950	
Youths and Students	Talks and workshops	40	3,800	

* The figure does not include the number of exhibition visitors which cannot be quantified.

The Commission has been liaising with and providing advice to the Government and public bodies on issues relating to competition. Over the past two financial years, the Commission provided policy advice to the Government and public bodies to major policy matters such as the Hong Kong Code of Marketing of Formula Milk and Related Products for Infants and Young Children, the Voluntary Health Insurance Scheme and measures to combat ticket scalping.

The Commission has noticed an increasing number of requests and enquiries from the Government and public bodies, reflecting increasing awareness of the importance of considering the competition angle in the policy-making process. Generally speaking, the Commission's advice has been positively received by the Government and public bodies.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)080

(Question Serial No. 3886)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the theme parks in Hong Kong, please inform this Committee of the following information in table form:

- a) For the expansion projects of the Disneyland Resort under its expansion and development plan:
1. Progress of various works.
 2. Whether the original project estimate has been exceeded.
 3. Number of local workers employed.
 4. Posts created.
- b) For the waterpark and hotel projects of the Ocean Park:
1. Current progress of various works.
 2. Total amount of works contract granted to various subcontractors of the hotel projects and the projects concerned.
 3. Schools and organisations to which complimentary tickets were given in the past year. Please list the number of tickets given out by organisations.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 56)

Reply:

Currently, Hong Kong Disneyland Resort (HKDL) is actively taking forward its expansion and development plan, and various new attractions are being rolled out progressively between 2018 and the coming few years. The first new attraction of the expansion and development plan, the "Moana: A Homecoming Celebration" stage show, was launched in May 2018, and another new attraction, "Ant-Man and The Wasp: Nano Battle!", has just commenced operation in end-March 2019. Other new items coming on stream in the next

few years include the expanded castle with entirely new daytime and night time shows, as well as the new themed areas based on “Frozen” and “Marvel” superheroes respectively.

The expansion and development plan of HKDL is still under implementation, and various projects are being taken forward within budget. The management company of HKDL will continue to closely monitor the works progress of the expansion and development plan and ensure that various new attractions are completed within budget. In addition, the expansion and development plan is estimated to create about 3 450 jobs (in terms of man-year) during its construction period, and the operation of HKDL after completion of the plan would provide a total of 600 additional jobs.

As regards Ocean Park (OP), it is taking forward its all-weather waterpark and two new hotels. Whilst Hong Kong Ocean Park Marriott Hotel has officially commenced operation in February 2019, the water park and Fullerton Ocean Park Hotel Hong Kong are expected to be completed progressively by 2021.

As OP’s hotels are private development projects, we do not have the information about the relevant works contracts.

Separately, OP launched the “Connecting Students with Nature through STEAM” Programme in 2018 to distribute 10 000 complimentary admission tickets to primary and secondary school students, which mainly aimed at benefiting local students by providing more opportunities for them to take part in OP’s education tourism projects and activities. According to the information provided by OP, the “Connecting Students with Nature through STEAM” Programme has hosted a total of around 10 300 students from 43 primary schools and 37 secondary schools in the 2018/19 academic year, offering them OP’s visit and learning experience. In addition, OP has also implemented some social care programmes in 2018/19¹, providing free or discounted admission for the local community. However, such information can only be consolidated after the completion of such programmes.

¹ The fiscal year of OP starts on 1st July of each year until 30th June of the following year.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)081

(Question Serial No. 3887)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Tourism Board (HKTB) will deploy 77% of its total marketing budget to the non-Mainland markets. Regarding this portion of funds, please tabulate the following information with a breakdown by city:

1. percentage share in the total marketing budget, and year-on-year change;
2. actual amount of funds to be deployed and year-on-year change; and
3. scheduled marketing activities and the amount of funds needed.

The HKTB will deploy 23% of its total marketing budget to the Mainland market. Regarding this portion of funds, please tabulate the following information with a breakdown by city:

1. percentage share in the total marketing budget, and year-on-year change;
2. actual amount of funds to be deployed and year-on-year change; and
3. scheduled marketing activities and the amount of funds needed.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 58)

Reply:

In 2019-20, HKTB will continue to focus its marketing resources on 20 key markets, which together generate approximately 96% of all visitor arrivals to Hong Kong. HKTB's revised marketing budget in 2018-19 and proposed marketing budget in 2019-20 in key source markets are list below. As the latter has not included additional funding provided by the Government, it is not appropriate to compare directly with the former.

2019-20 Proposed marketing budget

(HK\$ million)	2019-20 Proposed Budget# (percentage of overall marketing budget)	2018-19 Revised Budget* (percentage of overall marketing budget)
<i>The Mainland</i>	39.2 (23.1%)	66.8 (30.0%)
South China	7.8 (4.6%)	20.0 (9.0%)
<i>Non-Guangdong</i>	3.9 (2.3%)	6.7 (3.0%)
<i>Guangdong</i>	3.9 (2.3%)	13.4 (6.0%)
Central China	11.8 (7.0%)	15.4 (6.9%)
East China	7.9 (4.6%)	11.4 (5.1%)
North China	11.8 (7.0%)	20.0 (9.0%)
<i>Short-haul Markets</i>	74.9 (44.1%)	96.5 (43.3%)
Japan	12.3 (7.3%)	15.6 (7.0%)
Taiwan	12.1 (7.2%)	19.3 (8.7%)
South Korea	15.2 (8.9%)	18.5 (8.3%)
Singapore	4.4 (2.6%)	4.8 (2.2%)
The Philippines	8.1 (4.8%)	11.3 (5.1%)
Malaysia	6.5 (3.9%)	7.3 (3.3%)
Indonesia	7.1 (4.2%)	9.6 (4.3%)
Thailand	9.2 (5.4%)	10.0 (4.5%)
<i>Long-haul Markets</i>	42.6 (25.1%)	44.8 (20.1%)
The US	14.9 (8.8%)	16.3 (7.3%)
Australia	8.5 (5.0%)	8.5 (3.8%)
The UK	7.6 (4.5%)	8.3 (3.7%)
Canada	4.1 (2.4%)	4.2 (1.9%)
Germany	4.8 (2.8%)	4.8 (2.1%)
France	2.8 (1.7%)	2.8 (1.3%)
<i>New Markets</i>	12.7 (7.5%)	14.7 (6.6%)
India	7.9 (4.7%)	9.9 (4.4%)
Russia	3.0 (1.8%)	3.0 (1.3%)
The GCC Markets	0.9 (0.5%)	0.9 (0.4%)
Vietnam	0.5 (0.3%)	0.5 (0.2%)
The Netherlands	0.4 (0.2%)	0.4 (0.2%)
Total	169.4 (100.0%)	222.9 (100.0%)

Remarks: Owing to rounding, the total may differ from the sum of the individual figures.

This column only shows the recurrent funding that has been granted to HKTB by the Government. However, this does not include the additional fund that has been allocated to HKTB in the Budget, which amounts to \$326 million in 2019-20. HKTB is planning the allocation of this additional fund to each source market.

* The figures reflected HKTB's revised budget, which included the additional funding allocated to HKTB in the 2018-19 Budget.

HKTB's marketing plans in different source markets in 2019-20 are as follows:

The Mainland market

- To increase tourism receipts from this market, HKTB will fine-tune its investment of resources in the Mainland in 2019-20. As in the past few years, the focus will be to attract overnight visitors. In 2019-20, 90% of the market's promotional resources will be allocated to the non-Guangdong areas. In particular, as the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) facilitates direct five-hour travel between Hong Kong and the central and western parts of China at a lower cost than air travel, greater resources will be invested in these areas to attract first-time visits to Hong Kong. Meanwhile, repeat visits by high-spending visitors will be encouraged through continued investment in first-tier cities like Beijing and Shanghai.
- Related initiatives include strengthening collaboration with online media to promote Hong Kong unique features and diversified offerings through posts, images, videos and animation; partnering with airlines and online travel agencies to roll out themed tourism products and discounts around mega events targeting the young segment; strengthening cooperation with lifestyle e-commerce platforms and mobile applications to further raise awareness of the Quality Tourism Services (QTS) Scheme among consumers and to increase exposure for the QTS merchants.

Short-haul markets

- In response to short-haul visitors' positive feedback on the Old Town Central and Sham Shui Po district promotion, HKTB will continue to approach this market region with district promotions in 2019-20, inviting visitors to explore different districts in Hong Kong by piquing their interest with the local lifestyle, living culture and in-depth travel experiences.
- Considering short-haul visitors' tendency to decide where to travel not long before their holidays begin, HKTB will continue to join hands with airlines, hotels, attractions and other travel trade partners to launch family and young segments-targeted tourism products that are complementary to HKTB's mega events during school holidays and hotel low seasons, with a view to creating an urge for visitors to choose Hong Kong as their holiday destination.
- Since 2019 is Hong Kong Japan Tourism Year, HKTB will step up its promotional effort in Japan through public relations and digital marketing. In particular, Japanese celebrities will be invited to film travelogues in Hong Kong which will then be broadcast on Japanese TV channels. With support from the travel trade, HKTB will launch special offers to attract Japanese consumers to visit Hong Kong. HKTB will also work with the Japanese travel trade and Hong Kong attractions to devise tourism products targeting the educational tour market and reach out to schools in Japan to gauge market reaction.

Long-haul markets

- Consumers in the long-haul markets are more inclined to fix their travel destination well ahead of their holidays, which makes it crucial to maintain sustained exposure for Hong Kong in these markets. To do so and to extend reach to consumers, public relations and digital marketing initiatives will be heavily adopted in the long-haul markets.
- Another travel pattern among long-haul visitors is multi-destination travel. Highlighting the convenience brought by the HZMB and the XRL, HKTB will continue to work with the tourism organisations in the Pearl River Delta, as well as Taiwan and Southeast Asia, to encourage visitors to explore Hong Kong and other cities in the Greater Bay Area and the region on multi-destination itineraries. And with the travel trade, multi-destination tourism products featuring Hong Kong will be developed.
- Long-haul visitors are also found to take greater interest in Hong Kong's local culture, natural scenery and outdoor activities. Focusing on these areas, HKTB will produce travelogues in collaboration with both traditional and online media in these markets, calling for visitors to explore Hong Kong first-hand.

New markets

- In 2018, the five new markets, namely India, Russia, the Gulf Co-operation Council, Vietnam and the Netherlands showed varying performances as a result of economic and other factors, and such situation is expected to continue in 2019. HKTB will continue to conduct tailored promotions catering for the characteristics of the individual markets. For example, HKTB will continue to promote cruise and MICE travel in India and work with neighbouring destinations to promote multi-destination travel in Russia.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)082

(Question Serial No. 3888)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding waiving half of the participation fee for the travel trade in trade shows, please inform this Committee of the following information in table form:

1. The major trade shows to be involved.
2. List out the benefited exhibitors by major trade shows.
3. Fee waived in respect of each exhibitor in specific major trade shows.

Regarding the "2019 Hong Kong-Japan Tourism Year", please inform this Committee of the following information in table form:

1. Total estimated expenditure.
2. List out the expenditure on the following items:
 - a. Outdoor advertisement expenses.
 - b. Newspaper advertisement expenses.
 - c. Magazine advertisement expenses.
 - d. Internet advertisement expenses.
 - e. Expenditure on engaging public relation company for co-ordination and the name of the company.
 - f. Amount of sponsorship.
 - g. Economic benefits expected to be brought to Hong Kong.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 60)

Reply:

Support offered to local travel trade to participate in promotion events

In 2019-20, Hong Kong Tourism Board (HKTB) will continue to support the local trade for participating in overseas and local promotion events with the additional funding of \$6 million provided by the Government. The trade members are only required to pay half of the participation fee. The actual amount of the fee depends on various factors including

the scale, cost and market where the event takes place, etc. HKTB is working out the related plan. Tentatively, promotion events that HKTB will participate or organise include:

Promotion events	Details
Trade shows	<p>Trade shows targets at the travel trade, aiming at introducing Hong Kong tourism products to them with a view to creating opportunity for cooperation. It is planned to participate in 9 trade shows in markets including the US, Germany, the Mainland and Kazakhstan:</p> <ul style="list-style-type: none"> ● China International Travel Mart ● Guangzhou International Travel Fair ● Incentive Travel & Conventions, Meetings China ● IMEX Frankfurt ● Internationale Tourismus Börse ● International Travel Expo Hong Kong ● PATA Travel Mart ● Seatrade Cruise Global ● IMEX America
Consumer shows	<p>Consumer shows target at local consumers, aiming at promoting sales of Hong Kong tourism products offered by the travel trade. It is planned to participate in the following 9 consumer shows in markets including the Mainland, Taiwan, the Philippines, Thailand, South Korea, Japan, Russia:</p> <ul style="list-style-type: none"> ● China (Guangdong) International Tourism Industry Expo ● Taipei International Travel Fair ● Travel Madness Expo ● Thai International Travel Fair ● Hana International Travel Fair ● Korea World Travel Fair ● Mode International Travel Fair ● JATA Tourism Expo ● Yamarka Travel Expo
Travel missions for local trade	<p>Travel missions gather the local travel trade to different tourist destinations with a view to meeting the counterparts there, understanding the tourism development of the markets and looking for opportunities for cooperation. It is planned to organise 9 travel missions to markets including the UK, France, South Korea, India, Russia, Turkey, Cambodia and Vietnam.</p>

Promotion events	Details
Trade missions for non-local trade	Trade missions invite non-local travel trade coming to Hong Kong with a view to meeting local counterparts, understanding Hong Kong's tourism development and looking for opportunities for cooperation. It is planned to organise 14 trade missions for non-local travel trade from markets including Indonesia, Malaysia, the Philippines, Singapore, Thailand, the Mainland, etc.

In general, HKTB will invite members of local travel trade (including airlines, attractions, travel agencies, hotels and cruise operators, etc.) two months before the promotion events. Hence, the list of subsidised participating exhibitors is not available at this stage.

Hong Kong-Japan Tourism Year

The “Hong Kong-Japan Tourism Year” campaign is HKTB’s key initiative in Japan in 2019-20. The total estimated marketing budget for Japan during the year is around \$17.3 million, which includes both the marketing budget proposed by HKTB and additional funding from the Government’s Budget. This estimated budget will be used in the areas of trade promotions, public relations and marketing, advertisement in newspapers, magazines and online media. HKTB is working on the details of the promotions concerned. HKTB does not engage public relations firm for the “Hong Kong-Japan Tourism Year” campaign, and the relevant promotions do not involve sponsorship.

“Hong Kong-Japan Tourism Year” not only provides the trade with a new promotional platform, but also allows HKTB to extend its promotional effort to more key cities in the market, with a view to further promoting Hong Kong as the top destination among Japanese travellers. In recent years, in face of fluctuating currency exchange rates and competition from other destinations in the region which have been affecting Hong Kong’s tourism sector, HKTB will continue to strive to maintain a diversified market portfolio and focus on promoting the diverse and exciting travel experiences offered by Hong Kong and tie in with promotions in the market and the mega events staged in Hong Kong in order to maintain the visitor arrivals from Japan. As such, it is difficult to quantify the economic contributions of an individual promotion campaign.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)083

(Question Serial No. 3889)

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

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

Programme: (1) Director of Bureau's Office, (2) Commerce and Industry, (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the posts to be created under the above programmes, please provide details of such posts, including the post title, salary, job duties, job nature, immediate supervisor and subordinates as well as posts managed.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 70)

Reply:

Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) plans to create a total of 30 new posts under Programmes (1), (2) and (6) in 2019-20, with details set out below -

Post Title	No.	Salary Provision (\$)	Job nature and area of work	Direct supervisor	Subordinate(s)
Programme (1) Director of Bureau's Office					
Executive Officer I	1	767,160	To replace a non-civil service contract position for providing executive support.	Senior Executive Officer	-

Post Title	No.	Salary Provision (\$)	Job nature and area of work	Direct supervisor	Subordinate(s)
Programme (2) Commerce and Industry					
Principal Trade Officer	1	1,445,940	To co-ordinate the work related to HKSAR's participation in the China International Import Expo.	Administrative Officer Staff Grade C	1 Assistant Trade Officer I, 1 Executive Officer I and 1 Assistant Trade Officer II
Assistant Trade Officer I	1	767,160		Principal Trade Officer	-
Executive Officer I	1	767,160		Principal Trade Officer	1 Assistant Clerical Officer
Assistant Trade Officer II	1	485,040		Principal Trade Officer	-
Assistant Clerical Officer	1	274,380		Executive Officer I	-
Senior Systems Manager	2	2,891,880	To strengthen manpower support for the Single Window Project Management Office in handling the work of information technology system design and development, business process design as well as stakeholders engagement to press ahead the implementation of the Trade Single Window project.	Chief Systems Manager	4 Systems Managers
Systems Manager	4	4,294,080		Senior Systems Manager	3 Analysts/ Programmers I
Analyst/ Programmer I	3	2,301,480		Systems Manager	-
Superintendent of Customs and Excise	1	1,449,900		Senior Superintendent of Customs and Excise	3 Assistant Superintendents of Customs and Excise
Assistant Superintendent of Customs and Excise	2	2,344,080		Superintendent of Customs and Excise	4 Senior Inspectors of Customs and Excise
Senior Inspector of Customs and Excise	5	4,693,800		Assistant Superintendent of Customs and Excise	1 Inspector of Customs and Excise
Inspector of Customs and Excise	1	643,500		Senior Inspector of Customs and Excise	-

Post Title	No.	Salary Provision (\$)	Job nature and area of work	Direct supervisor	Subordinate(s)
Programme (6) Travel and Tourism					
Chief Executive Officer (with effect from 1 January 2020)	1	361,485*	To support the appeal panel under the new regulatory regime of the travel industry.	Administrative Officer Staff Grade C	1 Senior Executive Officer and 1 Executive Officer I
Senior Executive Officer (with effect from 1 January 2020)	1	268,380*		Chief Executive Officer	1 Executive Officer I
Executive Officer I (with effect from 1 January 2020)	1	191,790*		Senior Executive Officer	-
Senior Executive Officer	1	1,073,520	To implement the Development Blueprint for Hong Kong's Tourism Industry	Senior Town Planner	1 Executive Officer I
Executive Officer I	1	767,160		Senior Executive Officer	-
Executive Officer I	1	767,160	To replace a non-civil service contract position for providing support in promulgating the on-going Meetings, Incentive Travels, Conventions and Exhibitions promotion initiatives.	Senior Administrative Officer	-

* Provisions for 3 months

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)084

(Question Serial No. 3890)

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

Subhead (No. & title): (000) Operational expenses

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Would the Government inform this Committee of the reason(s) for the increased subscription to the World Trade Organization? What are the criteria for determining the increase?

As for the Hong Kong-Japan Business Co-operation Committee, would the Government inform this Committee of the details of its work, and set out in table form all the events it has held in the past 3 financial years, including the date, time, venue, number of participants, number of exhibitors, number of reports in media coverage, number of people reached by the reports, total expenditure and whether foreign investment has been attracted to Hong Kong (if yes, the investment value) of each event. Furthermore, please also set out the detailed attendance records of all members of the Hong Kong-Japan Business Co-operation Committee in the past 3 financial years by the date of each meeting.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 72)

Reply:

The amount of annual subscription fee paid by each member to the World Trade Organization (WTO) is determined by the WTO's Committee on Budget, Finance and Administration. The Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) estimates the annual subscription fee for the coming year by taking into account the actual annual subscription fees paid in previous years and the change in exchange rate.

The Hong Kong-Japan Business Co-operation Committee (HKJBCC) organises high-level business-to-business dialogue to foster understanding between the business communities of Hong Kong and Japan and promote trade, investment and other economic cooperation between the two places.

Apart from the Plenary Sessions held alternately in Hong Kong and Japan every year, HKJBCC organised a total of 198 activities in various places in Japan in the past three financial years. These activities include market briefings, seminars, roundtables, workshops, networking receptions and outreach programmes to connect traders from various parts of Japan, including Kagoshima, Kumamoto, Nagoya, Osaka, Sapporo and Tokyo. The total number of participants and the total expenditure for the activities are as follows -

	2016/17	2017/18	2018/19
Number of events	82	57	59
Total number of participants	4,151	3,894	4,035
Total expenditure^{Note} (HK\$)	2,499,133	2,838,873	2,485,602 [^]

[^]Projection

Note: These include expenditure for organising business conferences and high-level networking events in Japan and Hong Kong, holding plenary session and missions; translating and publishing research reports, offering business advisory services and producing newsletters and webcasts, etc.

HKJBCC organised three Plenary Sessions in the past three financial years, details are tabulated as follows:

Plenary Session	Date	Venue	Number of Members attended
36 th Plenary Session	24 March 2017	Hong Kong	17
37 th Plenary Session	27 March 2018	Tokyo, Japan	10
38 th Plenary Session	5 March 2019	Hong Kong	18

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)085

(Question Serial No. 7252)

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

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

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the use of social networks, please advise this Committee on:

1. the expenditure and staff establishment involved in publicity efforts made via social networks by the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) (CEDB(CIT)) in the past 3 years; and
2. the criteria adopted by the CEDB(CIT) in assessing the effectiveness of these publicity efforts and the appropriateness of the use of the funds concerned.

Asked by: Hon KWONG Chun-yu (LegCo internal reference no.: 91)

Reply:

Expenditure incurred by the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)(CITB) on publicity efforts made via social networks are \$1.9 million, \$0.71 million¹ and \$0.61 million² respectively in 2016-17, 2017-18 and 2018-19. The expenditure are used on IP trading, retail manpower development, as well as commerce, industry and tourism promotion. In addition to contractor staff, the work has also been taken up by the existing staff of our branch.

We make reference to hit rates, viewership and number of “Likes”, etc., as well as the response of the public towards the relevant activities to assess the effectiveness of our publicity work.

¹ In 2016-17, the social network expenditure related to Economic Development Commission (EDC) was \$1.2 million. As the operation of EDC came to an end in 2017-18, there has been no expenditure on the matter since then.

² An expenditure of \$0.38 million was shared by Head 78 Intellectual Property Department.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)086

(Question Serial No. 0266)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The financial provision for Commerce and Industry in 2019-20 shows an increase of 105.4% as compared with that in 2018-19. Please advise this Committee of the estimated expenditures and the details involved, such as the breakdown of the costs of promoting commerce and industry in Hong Kong and the administrative expenses.

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 38)

Reply:

The original estimate under Programme (2) for 2019-20 is \$316.4 million (+105.4%) higher than the revised estimate for 2018-19. The increase is mainly due to -

- Estimated increase of \$237 million in cash flow requirement for the Special Concessionary Measures under SME Financing Guarantee Scheme (SFGS). Under SFGS, the Government is required to pay sufficient amount of funds to the HKMC Insurance Limited in meeting the requirements of payments for default compensations and necessary out-of-pocket expenses, but the actual cash flow requirement under the SFGS fluctuates every year.
- Estimated increase of \$22.7 million to the Single Window Project Management Office (SWPMO) to strengthen manpower support for pressing ahead the implementation of the Trade Single Window project. The sum comprises personal emoluments required for additional posts and other related operating expenses.

- Estimated provision of \$9.1 million to enhance the support on the work related to HKSAR's participation in the China International Import Expo (CIIE). The sum comprises personal emoluments required for additional posts and other related operating expenses.
- Estimated increase of \$8.3 million for personal emoluments and \$3.2 million for Civil Service Provident Fund and Mandatory Provident Fund, arising from filling vacant posts, staff changes and to cater for the impact of pay rise.
- Estimated increase of \$6.7 million for the Belt and Road Office to take forward the work on the Belt and Road Initiative more effectively and on a sustained basis.
- Estimated provision of \$4.7 million for the newly established Economic and Trade Office Policy Division, the sum comprises personal emoluments required for additional posts and other related operating expenses.
- Estimated increase of \$3.7 million for the subscription to the World Trade Organization.
- Estimated increase of \$2.5 million in cash flow requirement for the Professional Services Advancement Support Scheme. The actual cash flow requirement depends on the number of applications approved and the amount granted. With the launch of more funded projects and our ongoing promotion work, an increase in expenditure is anticipated in 2019-20.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)087****(Question Serial No. 1406)**

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will introduce a number of initiatives to assist small and medium enterprises (SMEs) this year. Would the Government advise this Committee of the following:

In the past 2 years, what results were achieved by the 3 initiatives, namely the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), the SME Export Marketing and Development Funds (EMDF) and the special concessionary measures under the SME Financing Guarantee Scheme (SFGS)? In respect of the applications under each initiative, how many were approved? How many were rejected? What was the amount of funding approved? Did the Government conduct any regular review on their use and gauge the applicants' feedback? If yes, what are the details?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 6)

Reply:

The Trade and Industry Department (TID) administers the Export Marketing and Trade and Industrial Organisation Support Fund and the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund). The implementation progress of the relevant funding schemes in 2017 and 2018 was as follows:

	Number of applications approved	Number of applications rejected	Amount of guarantees / grants approved by the Government (\$ million)
SME Export Marketing Fund (EMF)	17 557	4 211	302.5

	Number of applications approved	Number of applications rejected	Amount of guarantees / grants approved by the Government (\$ million)
The former SME Development Fund (SDF) ^{Note}	28	16	57.6
The former BUD Fund (Organisation Support Programme (OSP)) ^{Note}	26	11	73.5
BUD Fund (Enterprise Support Programme)	840	185	348.0

Note: The SDF and the BUD Fund (OSP) were merged to form the Trade and Industrial Organisation Support Fund in October 2018.

TID reviews the operation and effectiveness of the various funding schemes from time to time, including conducting questionnaire surveys on funded enterprises and organisations to ensure that appropriate support is provided to enterprises. We have injected funding and introduced enhancement measures to the various funding schemes according to the needs and prevailing circumstances of the trade, including increasing the funding ceiling, expanding the funding scope, and making appropriate adjustment to the mode of operation to meet the needs of the trade. According to the survey results, the trade generally considers that the funding schemes can provide practical support to enterprises of different industries and sectors for developing business and enhance their competitiveness.

SME Financing Guarantee Scheme

The HKMC Insurance Limited (HKMCI) operates the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) to provide 80% loan guarantees at concessionary fee rates. The Government provides a total loan guarantee commitment of \$100 billion. As at the end of February 2019, the HKMCI has received over 16 700 applications and approved over 14 900 of them, involving a total loan amount of about \$60.5 billion and a total guarantee amount of about \$48.4 billion.

The statistics related to applications under the special concessionary measures in the past two years are as follows:

Year	2017	2018
No. of applications approved *	1 406	1 714
Applications rejected	10	9
Facility amount for applications approved (in billion) #	5.614	7.277

* Excluding applications withdrawn by participating lenders after approval.

The facility amount is the total loan amount provided by participating lenders to approved enterprises under the special concessionary measures, of which 80% is guaranteed by the Government.

The Government will closely monitor changes in the market situation as well as the needs of SMEs, and will review from time to time the support measures to SMEs to ensure that adequate support is provided to SMEs.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)088

(Question Serial No. 1420)

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

Subhead (No. & title): (000) Operational expenses

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the work focuses of the Commerce and Economic Development Bureau is to lead and co-ordinate the work on the Belt and Road Initiative, including strategy formulation and implementation of programmes and measures with a view to seeking out Belt and Road related business opportunities.

What are the plans of the Bureau in 2019-20 to help small and medium enterprises (SMEs) explore Belt and Road related business opportunities? What is the estimated expenditure required?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 29)

Reply:

With a view to assisting enterprises (including small and medium enterprises) to capture Belt and Road related opportunities, the Government has been and will continue to promote enterprises and professional services to form strategic partnerships for “going global” en bloc by means of establishing various platforms. For instance during 2018-19, sharing sessions respectively on economic and trade co-operation zones; trade investment policies and practices of Belt and Road countries; and risk management of Belt and Road projects were held in conjunction with the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Commerce of the Central People’s Government in Hong Kong on 14 August 2018, 12 November 2018 and 25 February 2019. The Government will continue with such efforts in 2019-20, including the planning of a business and professional mission in June in conjunction with the Hong Kong Trade Development Council (TDC) and the Ministry of Commerce of the Central People’s Government to visit Belt and Road related countries and regions to explore business opportunities thereof.

In addition, the Government and TDC will co-organise the 4th Belt and Road Summit on 11 to 12 September 2019 to continue to promote and foster Hong Kong as an international commerce and trading platform for the Belt and Road Initiative (BR&I). “Hong Kong IN: Creating and Realising Opportunities” will be the theme of this year’s Summit, which will continue to feature investment and business matching sessions and one-to-one business matching meetings to encourage business partnerships.

The above-mentioned work is being taken forward by the Belt and Road Office (BRO) as part of its overall efforts in promoting Hong Kong’s participation in the BR&I. The estimated overall expenditure of the BRO for 2019-20 is about \$39.958 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)089

(Question Serial No. 1423)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Estimates projects the average expenditure of overnight visitors in 2019 to be HK\$6,195, representing a decrease of 6.2% when compared with the actual figure in 2018. Please provide:

- (a) detailed reasons for the decrease in the projected figure;
- (b) the average expenditure of overnight and same-day Mainland visitors and their increase/decrease rates over the past 3 years (i.e. 2016 to 2018); and the average expenditure of Mainland visitors and their increase/decrease rates over the past 3 years (regardless of whether they were overnight or not);
- (c) the average expenditure of overnight overseas visitors (excluding Mainland visitors) and their increase/decrease rates over the past 3 years.

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 37)

Reply:

Overnight visitors' spending is influenced by a host of factors, including changes in visitor spending patterns, global economy, regional economic development, fluctuation of exchange rates and hotel room rates, etc.

Although the per capita spending (PCS) of overnight visitors in 2018 increased by 2.7% over the previous year, we observed that the currencies of various visitor source markets had in fact weakened against the Hong Kong dollar in the second half of the year. Visitor spending also changed from an upward trend in the first half of the year to a downward one in the remainder of the year. Based on current economic forecasts, a number of currencies

may remain weak against the Hong Kong dollar in 2019. At the same time, the global economy is facing a number of uncertainties, such as the US-China trade conflicts and Brexit, which may affect visitors' desire to spend while in Hong Kong. On the other hand, changing spending pattern of visitors, who now prefer daily commodities than luxury goods primarily, coupled with the increasing popularity of online shopping, may also affect the visitors' spending in Hong Kong.

Overall speaking, the Hong Kong Tourism Board (HKTB) at this stage projects that the PCS of overnight visitors in 2019 will drop by 6.2%.

Based on information from HKTB, the PCS of overnight and same-day in-town visitors from the Mainland and the rates of change in the past three years are as follows:

	Mainland overnight visitors		Mainland same-day in-town visitors	
	PCS	Rate of change	PCS	Rate of change
2016	\$7,275	-8.2%	\$2,377	-11.8%
2017	\$7,010	-3.6%	\$2,298	-3.3%
2018	\$7,029	+0.3%	\$2,410	+4.9%

Because of the difference between the spending pattern of overnight and same-day in-town visitors, it is not appropriate to combine the two to derive the PCS of overall visitors.

Based on information from HKTB, the PCS of overnight visitors from the non-Mainland markets and the rates of change in the past three years are as follows:

	Non-Mainland overnight visitors	
	PCS	Rate of change
2016	\$5,323	-8.3%
2017	\$5,321	*
2018	\$5,731	+7.7%

* The rate of change is less than 0.05%.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)090

(Question Serial No. 1427)

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

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

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Trade Descriptions Ordinance (TDO) (Cap. 362), will the Administration advise on:

- (1) the number of complaints received this year on fitness centres using unscrupulous sales practices to promote their services, together with the number of prosecutions instituted against fitness centres or the persons concerned;
- (2) whether the Administration will strengthen its promotion and education efforts this year? If so, please provide the details of the plan and expenditure involved; if not, the reasons for that.

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 43)

Reply:

In 2018, the Customs and Excise Department (C&ED) received a total of 599 complaints against fitness services in contravention of the Trade Descriptions Ordinance (TDO). C&ED arrested 4 directors and 16 staff in connection with 13 cases for investigation. Investigation into these cases is underway and no prosecution has been initiated so far.

C&ED will continue to actively enforce the TDO by adopting a three-pronged approach, including enforcement, compliance promotion as well as education and publicity, in order to protect consumers' interests by combating common unfair trade practices at source.

On enforcement, C&ED has taken active steps to handle complaints by conducting in-depth investigations and collecting evidence, as well as taking appropriate enforcement actions on the basis of the facts and evidence of individual cases. In addition, C&ED also carries out proactive inspections, including undercover ones, against high risk products and shops with repeated complaints.

On compliance promotion, C&ED has so far held more than 220 seminars for various industries to help enhance practitioners' understanding of the TDO, remind them of the importance of complying with the TDO, and urge the management to take appropriate measures to avoid unscrupulous trade practices.

On public education, C&ED will continue the collaboration with the Consumer Council to promote the message of "smart consumption" to the general public through various media.

In 2019-20, C&ED plans to strengthen the above work, including taking the initiative to convene meetings with the management and representatives from different industries, including the fitness industry, with a view to reminding them of the importance to comply with the fair trading provisions and supervisory responsibilities of management personnel. Furthermore, C&ED will upload to its website the common modus operandi employed by unscrupulous traders, as well as results and details of compliance or enforcement cases. To enhance deterrence, C&ED will publicise details and sentences of conviction cases involving unfair trade practices through the media so as to remind unscrupulous traders of the serious consequences for violating the TDO.

The expenditure involved in compliance promotion and public education has been subsumed within the Department's provisions, and it is difficult to quantify such expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)091

(Question Serial No. 0764)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the promotion of in-depth green tourism:

- (1) please tabulate the specific tourism projects and measures put forward by the Government and the corresponding staff establishment and expenditure in the past 3 years;
- (2) the Government will continue to take forward the creative tourism project with creative, artistic and cultural elements at selected districts, and organise a new pilot arts cum historical, cultural and green tourism project at Yim Tin Tsai. Please advise on the details, expenditure, staff establishment and number of participants for these projects.

Asked by: Hon LAU Ip-keung, Kenneth (LegCo internal reference no.: 3)

Reply:

In order to promote green tourism, the Government has earmarked an annual funding of \$15 million from 2018-19 to 2022-23 to enhance the tourism supporting facilities of some popular hiking trails as well as those with tourism appeal potential within country parks. The enhancement works mainly cover improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points, enrichment of information boards, etc. The Government will enhance the supporting facilities of Dragon's Back (Shek O Country Park), Peak Trail (Pokfulam Country Park), Wu Kau Tang to Lai Chi Wo (Pat Sin Leng Country Park), Shing Mun Reservoir Walk (Shing Mun Country Park), MacLehose Trail Section 1 (Sai Kung East Country Park) and Lantau Trail Section 2 (Lantau South Country Park), etc. Improvement works have been commenced. The first phase which involves MacLehose Trail Section 1, Peak Trail and Wu Kau Tang to Lai Chi Wo will be completed in the fourth quarter of 2019. Furthermore,

the Government will enhance the relevant thematic website and mobile application to provide detailed information on hiking to enrich visitors' experience. The enhanced website and mobile application are expected to be launched in the fourth quarter of 2019 to tie in with the hiking season.

The Hong Kong Tourism Board (HKTB) has been promoting the city's natural scenery through digital media, marketing promotions, public relations, visitor centres, hotlines and trade activities. Since 2009, HKTB has been promoting Hong Kong's nature-based green tourism products and countryside landscapes through the "Great Outdoors Hong Kong" platform between November and March each year, covering the Hong Kong UNESCO Global Geopark (Geopark), hiking trails and itineraries featuring the outlying islands, as well as guided tours and green tourism products organised by the travel trade or other organisations.

HKTB has also launched the Pilot Scheme to Promote In-depth Green Tourism (the Scheme) in January 2018, which aims to provide subsidy for the travel trade to develop in-depth green tourism products. A total of five green tourism products were subsidised under the Scheme. HKTB is now working with the travel trade to promote these products in different visitor source markets.

In addition, the Tourism Commission (TC) has invited the Hong Kong Ocean Park, in collaboration with the Agriculture, Fisheries and Conservation Department (AFCD), HKTB, World Wide Fund-Hong Kong and Ngong Ping 360, to take a lead in developing and implementing a Study Excursion Programme (the Programme) covering eco and cultural attractions in Hong Kong. The Programme has been rolled out in Japan in late 2018 and will be promoted to Mainland cities and nearby countries.

The staffing and expenditure for the aforesaid projects are absorbed by the existing establishment of the Commerce, Industry and Tourism Branch under the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch), AFCD and HKTB, and it is difficult to quantify separately.

TC, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation, through collaboration with different sectors, have launched the 3-year project, "Design District Hong Kong" (#ddHK), which comprises distinctive public art place making works, local comic characters with Hong Kong's originality, multimedia and creative technology, characteristic fashion parade etc. to raise the appeal of Sham Shui Po and Wan Chai as tourism spots.

The project is being rolled out progressively from December 2018, including place making artworks at different locations of Wan Chai so as to enrich the creative atmosphere and activate the public spaces, and virtual sculpture through the application of Augmented Reality to reincarnate the old lives and stories of local people in the 40s to the 70s to the tourists and public. Besides, a distinct Fashion Parade was held in Sham Shui Po with multi-disciplinary crossovers in fashion, music, digital art and art performance and the participation of local fashion designers being inspired by the characteristics of Sham Shui Po and making use of local fashion materials to make the outfits. Other deliverables under #ddHK will be launched progressively as scheduled in 2019-20 and 2020-21. The expenditure of this project in 2018-19 was \$20 million. Since this project mainly

composes public place making works or open events opened for public consumption, it is difficult to collect statistics of the number of participants.

As for the new art cum cultural, heritage and green event at Yim Tin Tsai, it aims at providing visitors opportunities to experience Hakka culture and appreciate the beautiful nature in the locality of Sai Kung district. In 2019-20, the Government has reserved \$24 million for the project. We are now working on the detailed implementation plan of the project, including selection of a suitable curator for the event through open tender, and the actual expenditure involved will be confirmed after the launching of the event. The first pilot event will be launched in the fourth quarter of 2019. Subject to a review of the first event, the Government will launch the second and third events in 2020 and 2021 respectively.

The staffing for the two projects mentioned above is absorbed by the existing establishment of the Commerce, Industry and Tourism Branch, and it is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)092

(Question Serial No. 1312)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the Matters Requiring Special Attention in 2019-20 under this Programme is: "continue to work closely with the Advisory Committee on Cruise Industry, the operators of the 2 cruise terminals, and the Hong Kong Tourism Board to develop Hong Kong into a leading cruise hub in the region". Does the Government have any plan to revitalise the Kai Tak Cruise Terminal (KTCT)? What are the details and the expenditure involved? Will the Government take heed of the advice of members of the local community and introduce targeted measures to divert Mainland tour groups from old districts to KTCT so as to alleviating the pressure on old districts? If yes, what are the details; if no, what are the reasons?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 53)

Reply:

The Government is committed to developing cruise tourism and the Kai Tak Cruise Terminal (KTCT) is an important infrastructure for the development of cruise tourism in Hong Kong. The primary objective of constructing the KTCT is to provide berthing capacity for large cruise ships and immigration facilities to handle large amount of cruise passengers within a short period of time, so as to provide efficient services and convenient experiences to cruise passengers. The KTCT is not positioned as a shopping mall. However, for better utilisation of the facilities thereat, we also encourage the hosting of different kinds of events, provided that they do not compromise cruise operations.

In 2018, there were 156 calendar days with cruise ships berthing at the KTCT. In other words, there were cruise ships at berth almost every other day. Besides, since the commissioning of the KTCT, there have been different kinds of events taking place at the

KTCT involving a total of around 230 calendar days (including setting up, dismantling and reinstatement) with participants ranging from several hundreds to over 50 000.

The Government adopts multi-pronged strategy and plan to further enhance the vibrancy of the KTCT as well as to bring more people flow thereto. In gist, we are constantly improving the transport infrastructure and services so as to enhance the accessibility of the KTCT. In terms of public transport services, there are currently franchised buses, green minibuses and ferries providing daily services that connect the KTCT or its vicinity with other locations. We are also leveraging on the opportunities brought about by the ancillary commercial areas, e.g. striving to ensure that the ancillary commercial areas are fully let, facilitating the shops to make good use of the communal areas of the KTCT to organise activities, and arranging the setting up of small-scale pop-up stores at the passenger waiting halls of the KTCT during the days with ship calls for selling souvenirs and drinks. We will continue to drive and facilitate the hosting of more non-cruise events at the KTCT, provided that they do not affect cruise berthing. We have also invited government departments and non-governmental organisations to use the communal areas and facilities of the KTCT for organising events.

The terminal operator has, through the Travel Industry Council of Hong Kong (TIC), disseminated information to the trade on the arrangements for bringing tour groups to the KTCT (e.g. pick-up and drop-off arrangements for coach buses), and encouraged them to arrange more tour groups to the KTCT.

The Government, in tandem with the TIC, has been actively co-ordinating with various stakeholders to channel mainland inbound tour groups to different districts, and avoid arranging them to gather in certain districts within a short period of time. Insofar as the KTCT is concerned, the ancillary commercial areas in the terminal building have been fully occupied at present. However, one of the merchants has ceased operation due to its internal issues. The terminal operator is recovering the vacant possession of that shop through legal proceedings. The Government has urged the terminal operator to lease the shop as soon as possible upon completion of the relevant proceedings and recovering possession of the shop. Any commercial organisations interested in operating at the KTCT are welcome to approach the terminal operator directly to discuss the corresponding commercial arrangements.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)093

(Question Serial No. 1313)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2019-20 for this Programme, it is stated that the Bureau will “continue to work with the Travel Industry Council of Hong Kong on the regulation of travel agents, tourist guides and tour escorts under the existing regulatory framework of the travel industry”. In recent years, participants of inbound Mainland tour groups (IMTGs) at low fares have been arranged to have meals and shop at designated restaurants and shops located in such districts as To Kwa Wan, Hung Hom, North Point and Aberdeen. This has caused serious traffic congestion in the above areas and gravely affected the daily lives of the residents there.

- (1) What was the number of complaints about disturbance caused by IMTGs to local residents received in each of the past 3 years? What was the nature of the disturbance involved?
- (2) Does the Government have any plan to step up the regulation of travel agents so as to minimise the disturbance of local communities caused by IMTGs?

Asked by: Hon LEE Wai-king, Starry (LegCo internal reference no.: 54)

Reply:

In 2016, 2017 and 2018, the Tourism Commission received 2, 9 and 22 complaints concerning the nuisance caused by Mainland inbound tour groups to local communities respectively. They mainly concerned obstruction of pavements, traffic congestion, environmental hygiene, noise pollution, etc.

The Government has been pragmatic in tackling problems brought about by visitors to Hong Kong to local communities, and maintaining close liaison with the travel trade, Travel Industry Council of Hong Kong (TIC), district personalities, Legislative Council Members, etc. to implement various targeted mitigation measures. Such measures include encouraging tour coaches to use proper parking spaces, appealing to the trade to observe order when receiving inbound tour groups and use information technology in strengthening control on visitor and vehicular flow, etc. The Tourism Commission, together with relevant Government departments and the TIC, meet with trade representatives from time to time to monitor their arrangements in receiving inbound tour groups.

Furthermore, before peak periods of visitor arrivals, the Tourism Commission will convene inter-departmental meetings to strengthen visitor crowd control measures and endeavour to alleviate the impact brought about by tourist activities to local communities.

The TIC has been following up with trade members on their arrangements to receive inbound tour groups through on-site inspection, advisory letters, meetings, etc., and has set up a co-ordination group to strengthen the co-ordination of trade members including travel agents, shops, etc. and to devise and implement measures on diversion and visitor flow management of Mainland inbound tour groups. Furthermore, the TIC is examining to enhance the “Refund Protection Scheme (Registered Shops) for Inbound Tour Group Shoppers” by requiring registered shops serving inbound tour groups for designated shopping to put forward and implement visitor crowd management measures.

As regards the new regulatory regime, the Travel Industry Ordinance was passed by the Legislative Council in November 2018. It provides for the establishment of a statutory body, the Travel Industry Authority (TIA), to regulate travel agents, tourist guides and tour escorts, and empowers the TIA to formulate an administrative scheme to regulate shops that inbound tour groups are arranged to patronise.

The Government will recommend the TIA to conduct on-site inspection before registering a shop to which inbound tour groups are arranged to patronise, with a view to ensuring that the premises is suitable for receiving tourists, or that appropriate visitor and vehicular flow control measures have been put in place. The Government will also recommend the TIA to deploy more manpower to conduct on-site inspection in affected areas, as well as formulate suitable administrative measures against local travel agents or shops that are unamenable to repeated advice, willfully non-co-operative and fail to manage inbound tour groups’ visits to shops. Such agents or shops will be subject to sanction such as disciplinary orders through investigation and disciplinary proceedings.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)094

(Question Serial No. 1859)

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

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

Programme: (9) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the handling of enquiries and complaints by the Competition Commission (the Commission), please provide the following information:

- (1) the expenditure involved for the staff deployed by the Commission in handling complaints; and
- (2) the average time required to handle each case in respect of cases for initial assessments, cases escalated to in-depth investigations and cases brought to the Competition Tribunal.

Asked by: Hon LEUNG Kenneth (LegCo internal reference no.: 105)

Reply:

The Competition Commission's manpower establishment for 2018-19 is 62. About half of them are professional staff involved in work relating to investigations (including handling of enquiries and complaints). The staff cost and other expenses involved in handling complaints cannot be quantified separately.

The time required to handle each case varies as it hinges on a host of factors, including complexity and severity of the case, the number of parties involved etc.

From the Commission's experience in handling the three cases brought to the Competition Tribunal so far, it took two to four months to complete initial assessments (which involved studying in detail the information provided by and following up with the complainant and open source research), and nine to 12 months to complete in-depth investigations (which involved gathering of information and documents from parties concerned, conducting

interviews with relevant individuals, searching premises for evidence, legal analysis of evidence and seeking legal advice, etc).

The Commission is currently following up on a number of significantly larger (i.e. involving more parties or larger companies) and more complex cases that require considerably more investigative work and resources. Such cases would take a longer time to handle.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)095

(Question Serial No. 1860)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government's estimate for 2019-20 is 105.4% higher than the revised estimate for 2018-19. Will the Government advise us of the purposes of the increased estimate and the distribution of the relevant expenditures?

Asked by: Hon LEUNG Kenneth (LegCo internal reference no.: 106)

Reply:

The original estimate under Programme (2) for 2019-20 is \$316.4 million (+105.4%) higher than the revised estimate for 2018-19. The increase is mainly due to -

- Estimated increase of \$237 million in cash flow requirement for the Special Concessionary Measures under SME Financing Guarantee Scheme (SFGS). Under SFGS, the Government is required to pay sufficient amount of funds to the HKMC Insurance Limited in meeting the requirements of payments for default compensations and necessary out-of-pocket expenses, but the actual cash flow requirement under the SFGS fluctuates every year.
- Estimated increase of \$22.7 million to the Single Window Project Management Office (SWPMO) to strengthen manpower support for pressing ahead the implementation of the Trade Single Window project. The sum comprises personal emoluments required for additional posts and other related operating expenses.
- Estimated provision of \$9.1 million to enhance the support on the work related to HKSAR's participation in the China International Import Expo (CIIE). The sum comprises personal emoluments required for additional posts and other related operating expenses.

- Estimated increase of \$8.3 million for personal emoluments and \$3.2 million for Civil Service Provident Fund and Mandatory Provident Fund, arising from filling vacant posts, staff changes and to cater for the impact of pay rise.
- Estimated increase of \$6.7 million for the Belt and Road Office to take forward the work on the Belt and Road Initiative more effectively and on a sustained basis.
- Estimated provision of \$4.7 million for the newly established Economic and Trade Office Policy Division, the sum comprises personal emoluments required for additional posts and other related operating expenses.
- Estimated increase of \$3.7 million for the subscription to the World Trade Organization.
- Estimated increase of \$2.5 million in cash flow requirement for the Professional Services Advancement Support Scheme. The actual cash flow requirement depends on the number of applications approved and the amount granted. With the launch of more funded projects and our ongoing promotion work, an increase in expenditure is anticipated in 2019-20.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)096

(Question Serial No. 1861)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the Government's specific work plans and the expenditure involved in promoting the business advantages of Hong Kong in Mainland China in the coming year?

Asked by: Hon LEUNG Kenneth (LegCo internal reference no.: 107)

Reply:

Invest Hong Kong ("InvestHK"), which is overseen by the Commerce and Economic Development Bureau, reaches out directly to potential companies through its network of Investment Promotion Units ("IPUs") in the Beijing Office and the Economic and Trade Offices in the Mainland to promote the business advantages of Hong Kong through various forms of marketing activities.

In 2019-20, InvestHK will continue to collaborate with Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to go global. InvestHK plans to organise investment promotion seminars in various Mainland cities such as Beijing, Changsha, Chengdu, Chongqing, Guangzhou, Hefei, Kuming, Nanjing, Shanghai, Xiamen, and Zhengzhou etc. InvestHK will also continue to sponsor suitable events, such as China International Fair for Investment and Trade in Xiamen.

The total estimated expenditure for InvestHK on investment promotion work in 2019-20 is \$47 million. The figure does not include staff cost and general marketing and promotion expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)097

(Question Serial No. 1862)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the Government's specific work plans and the expenditure involved in promoting the business advantages of Hong Kong in Taiwan in the coming year?

Asked by: Hon LEUNG Kenneth (LegCo internal reference no.: 108)

Reply:

Invest Hong Kong ("InvestHK"), which is overseen by the Commerce and Economic Development Bureau reaches out directly to potential companies through its Investment Promotion Unit in the Hong Kong Economic, Trade and Cultural Office in Taiwan, and promotes the business advantages of Hong Kong through various forms of marketing activities.

InvestHK will continue to reach out to a wide spectrum of Taiwan companies to provide them with the necessary support in setting up or expanding their operations in Hong Kong. InvestHK will maintain its close partnership with the Taiwan business community and conduct investment promotion visits to various Taiwan cities.

The total estimated expenditure for InvestHK on investment promotion work in 2019-20 is \$47 million. The figure does not include staff cost and general marketing and promotion expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)098

(Question Serial No. 1863)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the Government's specific work plans and the expenditure involved in promoting the business advantages of Hong Kong overseas in the coming year?

Asked by: Hon LEUNG Kenneth (LegCo internal reference no.: 109)

Reply:

Invest Hong Kong ("InvestHK"), which is overseen by the Commerce and Economic Development Bureau reaches out directly to potential companies through its network of overseas Investment Promotion Units ("IPUs") in the Economic and Trade Offices and consultants, and promotes the business advantages of Hong Kong through various forms of marketing activities.

InvestHK plans to conduct a series of investment promotion visits to target markets including Europe, India, the Middle East, Southeast Asia, the United Kingdom and the United States to underline Hong Kong's business advantages and to attract more companies to set up businesses in Hong Kong, so as to tap on the business opportunities arising from the Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay Area development. InvestHK will also maintain liaison with consulates and chambers of commerce to connect with those overseas companies that have set up in Hong Kong to facilitate their business expansion. InvestHK will also sponsor suitable events, such as Art Business Conference in New York, Investing in Aviation Finance: Europe in London and Collision Conference in Toronto.

The total estimated expenditure for InvestHK on investment promotion work in 2019-20 is \$47 million. The figure does not include staff cost and general marketing and promotion expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)099

(Question Serial No. 1864)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the following information about the Belt and Road Office: What are the Office's staff establishment and the expenditure involved for 2019-20? What is the Office's action plan for the coming year? Please set out the specific work details and the venues of events to be organised.

Asked by: Hon LEUNG Kenneth (LegCo internal reference no.: 110)

Reply:

The current-term Government has been playing the role of “facilitator” and “promoter” to proactively implement policies and measures to seize the opportunities brought by Belt and Road Initiative, including following up with the relevant ministries on the implementation of the “Arrangement between the National Development and Reform Commission and the Government of the Hong Kong Special Administrative Region for Advancing Hong Kong's Full Participation in and Contribution to the Belt and Road Initiative” through the second Joint Conference planned for mid-2019; organising a high-level delegation to participate in the second Belt and Road Forum for International Cooperation to be held in Beijing in April 2019; co-organising with the Hong Kong Trade Development Council (TDC) the 4th Belt and Road Summit on 11 to 12 September 2019; spearheading business and professional missions in conjunction with the TDC to explore emerging markets and identify business opportunities in Belt and Road related countries and regions; supporting the TDC in enhancing its Belt and Road Portal into a more comprehensive and timely Belt and Road one-stop platform; and promoting closer partnerships between enterprises and professional services sector in Hong Kong and in the Mainland to “going global” en bloc under the Initiative.

In 2019-20, the Belt and Road Office (BRO) will have a total establishment of 21. The estimated overall expenditure of the BRO for 2019-20 is about \$39.958 million, of which salaries accounts for \$19.379 million, and operating expenses for \$20.579 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)100

(Question Serial No. 3479)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Kai Tak Cruise Terminal (KTCT) as well as the planning and engineering study on the Kai Tak Fantasy (KTF) project, please inform this Committee of the following:

1. Number of ship calls at KTCT in the past 3 years, breakdown of the 3 most-frequently berthed cruise vessels, passenger throughput, as well as the recurrent expenditure in the past 3 years and coming year;
2. In light of the nuisance caused by tour groups in Kowloon City, To Kwa Wan, Ma Tau Wai and other areas, there have been calls for incentivising the shops popular among tourists, such as restaurants serving tour groups, jewellery shops and chocolatiers to relocate to KTCT, so as to enhance visitor flow there. The Government mentioned such attempts have been made. What are the details and the latest progress?
3. The expenditure incurred so far for the Planning and Urban Design Review for Developments at Kai Tak Runway Tip as well as the Planning and Engineering Study on Kwun Tong Action Area and their latest progress. When are the two planning and engineering studies regarding KTF expected to conclude?

Asked by: Hon LEUNG Mei-fun, Priscilla (LegCo internal reference no.: 59)

Reply:

The numbers of ship calls and passenger throughput of the Kai Tak Cruise Terminal (KTCT) in the past 3 years are tabulated below -

Year	Number of ship calls	Passenger throughput
2016	95	424,868
2017	186	784,073
2018	170	815,461

The breakdown of the 3 most-frequently berthed cruise vessels at the KTCT in the past 3 years is tabulated below-

Year	Name of cruise ships	Number of calls
2016	<i>Voyager of the Seas</i>	27
	<i>Genting Dream</i>	13
	<i>Ovation of the Seas</i>	8
2017	<i>Genting Dream</i>	88
	<i>Voyager of the Seas</i>	21
	<i>World Dream</i>	14
2018	<i>World Dream</i>	101
	<i>Ovation of the Seas</i>	12
	<i>Voyager of the Seas</i>	6

The manpower and expenditure involved for monitoring the operation of the KTCT have been subsumed into the allocation for the Commerce, Industry and Tourism Branch of this Bureau and therefore cannot be quantified separately.

The Government, in tandem with the Travel Industry Council, has been actively co-ordinating with various stakeholders to channel mainland inbound tour groups to different districts, and avoid arranging them to gather in certain districts within a short period of time. Insofar as the KTCT is concerned, the ancillary commercial areas in the terminal building have been fully occupied at present. However, one of the merchants has ceased operation due to its internal issues. The terminal operator is recovering the vacant possession of that shop through legal proceedings. The Government has urged the terminal operator to lease the shop as soon as possible upon completion of the relevant proceedings and recovering possession of the shop. Commercial organisations interested in operating at the KTCT are welcome to approach the terminal operator directly to discuss the corresponding commercial arrangements.

The Planning and Urban Design Review for Developments at Kai Tak Runway Tip has incurred an expenditure of about HK\$5.4 million up to end-February 2019. The study is formulating a Master Layout Plan, a Landscape Master Plan and a Planning and Design Brief, etc to provide guidance for the future developments at the Runway Tip. It is scheduled for completion within 2019.

The Planning and Engineering Study on Kwun Tong Action Area has incurred an expenditure of about HK\$5.4 million up to end-February 2019. The study has recently formulated a Recommended Outline Development Plan for the Kwun Tong Action Area and water body co-use proposals for Kwun Tong Typhoon Shelter for public consultation. The study is scheduled for completion around mid-2019.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)101

(Question Serial No. 1968)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The financial provision for Commerce and Industry in 2018-19 was originally estimated to increase by 132.1%, but the revised estimate shows a significant decrease of 50%. Please explain the reasons for a decrease instead of an increase. If this was mainly due to a decrease in cash flow requirement for the SME Financing Guarantee Scheme (SFGS) – Special Concessionary Measures, what measures does the Government have in place to improve the estimation of the amount of funds needed to be paid to the Hong Kong Mortgage Corporation Limited to meet the required payments for default compensations and necessary out-of-pocket expenses?

The estimate for 2019-20 is 105.4% (\$316.4 million) higher, which is mainly due to the increase in cash flow requirement for the SFGS, the provision to the Belt and Road Office and the Single Window Project Management Office, the increased estimate for the subscription to the World Trade Organization, and the creation of 23 posts. Please explain the specific allocation of the above expenditure, the staff establishment and posts, the remuneration and operational expenditures and the details of the work involved.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 1)

Reply:

The revised estimate under Programme (2) for 2018-19 is \$299.6 million (-50%) lower than the original estimate for 2018-19. The decrease is largely due to -

- There is no need for the Government to pay the HKMC Insurance Limited (HKMCI) for the Special Concessionary Measures under the SME Financing Guarantee Scheme (SFGS), where the original estimated cash flow requirement is \$277 million. Under the Special Concessionary Measures, the Government is required to pay sufficient

amount of funds to the HKMCI in meeting the required payments for default compensations and necessary out-of-pocket expenses. When preparing the cashflow requirement for a year, we will take into account a basket of factors, including the number of applications, default situation, guarantee fees received, cash balance of the operating account, etc., but the actual cash flow requirement may fluctuate every year having regard to the market conditions. In 2018-19, the HKMCI has enough cash flow to meet the required payments for default compensations and necessary out-of-pocket expenses incurred in the year, and hence there is no requirement for cash flow.

- Decrease in expenditure of \$7.9 million on personal emoluments due to vacant posts and staff changes.
- Decrease in expenditure of \$6.7 million originally reserved for the Belt and Road Office.
- As the Economic Trade Office Policy Division will be established in 2019-20, the 2018-19 revised estimate was reduced by \$4.7 million which was originally reserved for the Division (including personal emoluments for additional posts and related operating expenses).
- Decrease of \$2.6 million for the subscription to the World Trade Organization.

The original estimate under Programme (2) for 2019-20 is \$316.4 million (+105.4%) higher than the revised estimate for 2018-19. The increase is mainly due to -

- Estimated increase of \$237 million in cash flow requirement for SFGS. Under SFGS, the Government is required to pay sufficient amount of funds to the HKMC Insurance Limited in meeting the requirements of payments for default compensations and necessary out-of-pocket expenses, but the actual cash flow requirement under the SFGS fluctuates every year.
- Estimated increase of \$22.7 million to the Single Window Project Management Office (SWPMO) to strengthen manpower support for pressing ahead the implementation of the Trade Single Window project. The sum comprises personal emoluments required for additional posts and other related operating expenses.
- Estimated provision of \$9.1 million to enhance the support on the work related to HKSAR's participation in the China International Import Expo (CIIE). The sum comprises personal emoluments required for additional posts and other related operating expenses.
- Estimated increase of \$8.3 million for personal emoluments and \$3.2 million for Civil Service Provident Fund and Mandatory Provident Fund, arising from filling vacant posts, staff changes and to cater for the impact of pay rise.
- Estimated increase of \$6.7 million for the Belt and Road Office to take forward the work on the Belt and Road Initiative more effectively and on a sustained basis.

- Estimated provision of \$4.7 million for the newly established Economic and Trade Office Policy Division, the sum comprises personal emoluments required for additional posts and other related operating expenses.
- Estimated increase of \$3.7 million for the subscription to the World Trade Organization.
- Estimated increase of \$2.5 million in cash flow requirement for the Professional Services Advancement Support Scheme. The actual cash flow requirement depends on the number of applications approved and the amount granted. With the launch of more funded projects and our ongoing promotion work, an increase in expenditure is anticipated in 2019-20.

A total of 23 posts are planned for creation in 2019–20, with details set out below –

- 18 time-limited posts for four years in SWPMO, including 9 Analyst/Programmer Grade posts, 3 Superintendent of Customs and Excise Grade and 6 Inspector of Customs and Excise Grade posts. These new posts seek to strengthen manpower support for SWPMO to press ahead the implementation of the Trade Single Window project.
- 5 posts, including 3 Trade Officer Grade posts, 1 Executive Officer Grade post and 1 Clerical Officer Grade post, to coordinate the work related to HKSAR's participation in the CIIE.

For the purpose of preparing the 2019-20 estimates of expenditure, a total provision of \$22.358 million has been reserved for the estimated personal emoluments of the above 23 posts.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)102

(Question Serial No. 1970)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 109 of the Budget Speech that another \$1 billion will be injected into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) this year and, following the extension of the geographical scope of the BUD Fund from the Mainland to countries of the Association of Southeast Asian Nations (ASEAN), the scope will be further extended to include all economies which have entered into a free trade agreement (FTA) with Hong Kong, thereby enabling enterprises to take advantage of the FTAs to explore new markets and new business opportunities. Please give an account of the applications made, the views of and problems relayed by enterprises as well as the corresponding measures of the Government following the injection of \$1.5 billion into the BUD Fund and the extension of its geographical scope to include the ASEAN markets in 2018-19. With the proposed extension of the geographical scope of the BUD Fund to include the economies which have entered into an FTA with Hong Kong, how will the Government provide assistance in promotion and administration for local enterprises to leverage the relevant advantage to explore new markets and new business opportunities? Please give an account of the staff establishment, operational expenses and specific work details involved.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 3)

Reply:

The Government injected \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in 2018-19, and implemented enhancement measures in August 2018, including extending the geographical scope of the Enterprise Support Programme (ESP) to include the Association of Southeast Asian Nations (ASEAN) markets, providing a cumulative funding ceiling of \$1 million for each enterprise for undertaking projects in the ASEAN markets; and increasing the cumulative funding ceiling for each

enterprise for undertaking projects in the Mainland from \$500,000 to \$1 million. The feedback from the trade on the enhancement measures was positive. Up to the end of February 2019, a total of 183 applications were received under the ASEAN Programme, while a total of 585 applications were received under the enhanced Mainland Programme, representing an increase of 106% as compared to the corresponding period in 2017-2018.

The 2019-20 Budget proposes to inject another \$1 billion into the BUD Fund to further extend the geographical scope of the BUD Fund to include all economies which have signed agreement on FTAs with Hong Kong, thereby enabling enterprises to take advantage of the FTAs to explore new markets and new business opportunities; and to further increase the cumulative funding ceiling for each enterprise under the BUD Fund to \$3 million, including \$1 million for the Mainland market and \$2 million for other FTA markets. We will consult the Legislative Council Panel on Commerce and Industry on the proposals and seek funding approval of the Finance Committee.

The Trade and Industry Department (TID) and the Hong Kong Productivity Council as the Secretariat of the BUD Fund, will continue to promote the BUD Fund to the trade through different channels including organising talks and attending seminars organised by trade and industrial organisations, promotion videos, website, etc. We will closely monitor the usage of the BUD Fund and continue the promotion through various channels.

The expenditure of the above work has been subsumed under the overall estimated expenditure of the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) and TID. It is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)103

(Question Serial No. 1971)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Matters Requiring Special Attention in 2019-20 that to continue to consolidate Hong Kong's unique advantages, the Commerce, Industry and Tourism Branch (CITB) will support the Hong Kong Trade Development Council (HKTDC) in enhancing its Belt and Road Portal into a more comprehensive and current one-stop Belt and Road platform. It was mentioned in the 2018-19 Budget Speech that an additional funding of \$250 million (i.e. \$50 million for each financial year) would be allocated to the HKTDC to, among others, enhance the functions of its Belt and Road Portal, establish a Belt and Road project database and strengthen relevant market studies. On the above work of the HKTDC, please give the details of the expenditure involved and results achieved in 2018-19, and the staff establishment and operational expenses to be provided by the CITB in support of such work in 2019-20.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 5)

Reply:

The Commerce and Economic Development Bureau will organise a business and professional mission in conjunction with the Hong Kong Trade Development Council and the Ministry of Commerce of the Central People's Government to visit three potential Belt and Road economies in June 2019, namely, Spain, Serbia, and the United Arab Emirates. The mission delegation will consist of representatives from different sectors with participation of Mainland enterprises. Meetings with local government officials responsible for commerce and industry, investment and infrastructure development are being planned. The mission will also have business exchanges with local enterprises for updates on the latest economic and investment environment of the three countries. The opportunity will be taken to promote closer partnerships between enterprises and

professional services sector in Hong Kong and in the Mainland to “going global” en bloc. The mission is currently still at the planning stage, and other details have yet to be finalised.

The above-mentioned work is being taken forward by the Belt and Road Office (BRO) as part of its overall efforts in promoting Hong Kong’s participation in the Belt and Road Initiative. The estimated overall expenditure of the BRO in 2019-20 is about \$39.958 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)104

(Question Serial No. 1972)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Matters Requiring Special Attention in 2019-20 that to continue to consolidate Hong Kong's unique advantages, the Commerce, Industry and Tourism Branch (CITB) will support the Hong Kong Trade Development Council (HKTDC) in enhancing its Belt and Road Portal into a more comprehensive and current one-stop Belt and Road platform. It was mentioned in the 2018-19 Budget Speech that an additional funding of \$250 million (i.e. \$50 million for each financial year) would be allocated to the HKTDC to, among others, enhance the functions of its Belt and Road Portal, establish a Belt and Road project database and strengthen relevant market studies. On the above work of the HKTDC, please give the details of the expenditure involved and results achieved in 2018-19, and the staff establishment and operational expenses to be provided by the CITB in support of such work in 2019-20.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 5)

Reply:

The Hong Kong Trade Development Council (TDC) launched the Belt and Road Portal (the Portal) in December 2015, which provides an overview of countries along the Belt and Road, with relevant market and trade information, policies, investment project opportunities, news and analysis, and case references, etc. Information on Hong Kong service providers (including financial, infrastructure, and other professional services, etc.) has been made available to assist users in finding partners and making business choices. At present, the Portal has drawn more than 8.14 million visits, of which about 80% are from outside Hong Kong (including the Mainland and overseas). As at end-February 2019, the Portal contained information on a total of 442 projects.

In 2019-20, the TDC will continue to enhance its Portal to become a more comprehensive and timely Belt and Road one-stop platform, including enriching information on relevant investment projects and Hong Kong service providers, with a view to strengthening the interfacing among project owners, potential investors and service providers. A small and medium-sized enterprises dedicated section would be added to help enhance Hong Kong enterprises' understanding of Belt and Road business opportunities. Furthermore, a "Professional Toolkit" section, which provides a simple and practical guide on the processes and guidelines associated with the different stages of infrastructure projects, will also be added, thereby promoting Hong Kong's professional services. The new version of the Portal is expected to be completed and commence service by the end of June 2019.

The relevant funding is included in the Government subvention provided to the TDC in 2019-20. We do not have a breakdown of TDC's staff establishment and expenditure for individual items.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)105

(Question Serial No. 1973)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Matters Requiring Special Attention in 2019-20 that to continue to consolidate Hong Kong's unique advantages, the Commerce, Industry and Tourism Branch will promote closer partnership between enterprises and professional services sector in Hong Kong and in the Mainland to "going global" en bloc under the Belt and Road Initiative. On promoting closer partnership, please advise us of the kinds of businesses in the enterprises and professional services sector to be focused on, the Belt and Road countries where closer partnership to "going global" en bloc will begin, the staff establishment and operational expenses involved, and the details of the work.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 6)

Reply:

With a view to facilitating enterprises to make the fullest out of the Belt and Road Initiative (B&RI), the Government has been and will continue to promote enterprises and relevant professional services to form strategic partnerships for "going global" en bloc by means of establishing various platforms. These enterprises are related to the "five areas of connectivity" covered by the B&RI, in particular such relevant professional services sectors as financing, insurance, risk assessment and management, legal and dispute resolution, and project management, etc. Their comprehensive and internationally recognised level of services has bestowed Hong Kong with distinct advantages in the pursuit of the B&RI, making Hong Kong the prime service platform for the B&RI. The Government will focus on countries with which bilateral agreement(s), such as Free Trade Agreements and Investment Promotion and Protection Agreements, have been entered into as well as potential economies (including ASEAN, the Middle East and Central and Eastern Europe) for promoting business level exchanges and collaboration.

The above-mentioned work is being taken forward by the Belt and Road Office (BRO) as part of its overall efforts in promoting Hong Kong's participation in B&RI. The estimated overall expenditure of the BRO for 2019-20 is about \$39.958 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)106

(Question Serial No. 1974)

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

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

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

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In Matters Requiring Special Attention in 2019-2020, it is mentioned that the Hong Kong Trade Development Council (TDC) will help Hong Kong companies capture opportunities amid uncertain export environment. Recently, the value of Hong Kong's total exports has fallen for 3 consecutive months, and the Government also forecasts that merchandise exports will continue to be under pressure in the near term. TDC has received a provision of \$250 million for five financial years starting from 2018-2019. In this connection, please set out with relevant details the specific measures already taken and under planning by the TDC for helping Hong Kong companies capture opportunities amid uncertain export environment, as well as the relevant operational expenses.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 7)

Reply:

In the past few years, the Hong Kong Trade Development Council (TDC) strived to help Hong Kong companies tap e-commerce and e-tailing opportunities, and capitalise on opportunities arising from new retail and consumption trends. In 2019-20, TDC will strive to help Hong Kong companies identify new export and sourcing markets as well as new industries with growth potential, and explore new ways of market expansion.

To help Hong Kong companies identify new markets and industries with potential, TDC will strengthen exchanges with exhibitions around the world to increase exposure of Hong Kong companies in different markets, in particular countries along the Belt and Road and the Guangdong-Hong Kong-Macao Greater Bay Area. TDC will also continue to promote Hong Kong brands and services by organising companies to participate in the *China International Import Expo*. TDC will organise investment missions for specific Hong

Kong manufacturers to the Association of Southeast Asian Nations according to the strengths of individual countries.

Furthermore, TDC will set up a pavilion with various e-tailing service providers at the *SmartBiz Expo* to help small and medium enterprises in Hong Kong seize digital opportunities. In order to help Hong Kong companies explore new ways of market expansion, TDC will also introduce new themes on the development trend of e-tailing and m-commerce in its *International Trade Fast Pass* seminar series.

The expenditure of the above work has been subsumed under the overall estimated expenditure of TDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)107

(Question Serial No. 1975)

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

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

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

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Matters Requiring Special Attention in 2019-20 that the Hong Kong Trade Development Council (HKTDC) will equip start-ups and a new generation of Hong Kong businesses to become future ready. Besides, the HKTDC will be provided with a total of \$250 million in 5 financial years from 2018-19 to strengthen efforts to, among others, nurture and engage start-ups and young entrepreneurs to go global. Please advise us of the effectiveness of the HKTDC's brand new incubation programme for start-ups and young entrepreneurs since it was launched and of its start-up portal since it was established; the specific measures and details of the work already planned or under planning to equip start-ups and a new generation of Hong Kong businesses to become future ready; and the operational expenses involved.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 8)

Reply:

The Hong Kong Trade Development Council (TDC) provides comprehensive support for start-ups through an array of measures. Besides providing information and advisory services, TDC also provides start-ups with commercial platforms through exhibitions, outbound missions, business matching and *hktdc.com*, in order to assist them to connect with potential partners around the world.

In 2018-19, 412 start-ups showcased their innovative ideas and products to buyers worldwide at the *Start-up Zone* set up by TDC at various exhibitions and conventions, representing a 30% increase compared with the previous year. TDC also organised the 10th *Entrepreneur Day* in May 2018 with 276 exhibitors, 130 of which were start-ups. TDC also continued to provide various free services to support small and medium enterprises (SMEs) (including start-ups), such as provision of diverse business information

at its SME Centre which attracted over 140 000 visits in the year. The SME Centre also organised 42 workshops and 13 seminars, and provided free business advisory services to about 1 200 SMEs.

In 2019-20, TDC will launch more events and services targeting at start-ups, in order to provide more marketing and entrepreneurial opportunities. TDC will organise an open competition on innovation named *IP Hatch* for start-ups and entrepreneurs. TDC will also cooperate with Cyberport and Hong Kong Science and Technology Park to bring technology start-ups in Hong Kong to participate in the *SmartHK* campaign in Guangzhou. Besides, TDC will launch a start-up mentorship programme and an online start-up community named *Hong Kong Start-up Society*.

The expenditure of the above work has been subsumed under the overall estimated expenditure of TDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)108

(Question Serial No. 1976)

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

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

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the financial provision for "Posts, Competition Policy and Consumer Protection" in 2018-19, the revised estimate still represented an increase of 3.5% compared with the original estimate after the lapse of the injection to the Consumer Legal Action Fund (the Fund). What were the details? Upon the lapse of the injection to the Fund, what were the achievements made under the Fund and the amount of redress sought over the past 2 years? Please also specify the estimated figures on new applications for assistance under the Fund, applications still in process and the amount involved in 2019-20. What will be the total expenditure and the year-end balance?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 9)

Reply:

The increase of 3.5% of the 2018-19 Revised Estimate compared to 2018-19 Original Estimate is due to the increased expense on personal emoluments as a result of pay rise. In fact, since the lapse of the injection to the Consumer Legal Action Fund (the Fund), the 2019-20 Estimate under this programme decreased by 48.3% compared with the 2018-19 Revised Estimate.

The numbers of newly assisted applications and assisted cases in progress, and the total claim amount involved of the Fund in 2016-17 and 2017-18 were as follows:

	2016-17	2017-18
Numbers of newly assisted applications and assisted cases in progress (number of applicants involved)	12(12)	14(16)
Claim amount ^	\$1,386,607	\$2,342,612

^ not including interest and legal costs

In 2019-20, the Fund will continue to handle the five cases which are in progress, the six cases under consideration, and any new applications that may be received. According to the Fund's past experience, the number of assistance granted and applications received varies from time to time. When a large scale consumer event occurs, the number of applications may increase substantially and this would affect the number of assisted cases accordingly. For this reason, the Consumer Council cannot estimate how many new applications will be received or how many of those cases will be granted assistance.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)109

(Question Serial No. 1977)

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

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

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the financial provision in 2018-19, the higher subvention to the Consumer Council (the Council) is mainly due to the additional funding for enhancements to "CHOICE" Magazine and information technology (IT) improvement projects.

The 12.2% (\$14.3 million) increase in the estimate for 2019-20 is partly due to implementing enhancements to "CHOICE" Magazine, redeveloping the Council's website and carrying out other information technology improvement projects.

Please advise on the details and expenditure involved in implementing various IT improvement projects in 2018-19, and also the distribution of the estimated expenditure among such projects, their specific details of work, goals and achievements for 2019-20.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 10)

Reply:

In 2018-19, \$3.9 million has been provided to the Consumer Council (the Council) for the information technology (IT) improvement projects related to enhancement to "CHOICE" Magazine and other IT improvement projects. The Council covered part of the expenditure by utilising \$0.4 million from its resources. These projects will be completed gradually by Q2 2019. The contents and expenditures involved are as follows:

Content of IT improvement projects	Expenditure Involved (\$ million)
IT improvement projects related to enhancement to “CHOICE” Magazine (including setting up of a “CHOICE” online subscription portal and development of a mobile-friendly version of the “Online Price Watch” website optimised for mobile devices)	1.5
Upgrade of the Human Resources Management System	2.5
Enhancement to the Electronic Platform with the Custom & Excise Department to improve IT cooperation and data exchange	0.3
Total	4.3

Subvention provided to the Council in 2019-20 is \$14.3 million higher than the revised estimate for 2018-19. This is mainly due to the additional funding for strengthening the manpower support for the Research and Survey Division of the Council, meeting increased expenditure on testing fees, implementing enhancements to “CHOICE” Magazine, redeveloping the Council’s website and carrying out other IT improvement projects. Among the additional subvention, \$9.5 million is planned to be used for IT improvement projects related to enhancement to “CHOICE” Magazine and other IT improvement projects. Also, the Council plans to cover part of the expenditure by utilising \$1.1 million from its resources. The contents and expenditures of these projects are as follows:

Content of IT improvement projects	Expenditure Involved (\$ million)
IT improvement projects related to enhancement to “CHOICE” Magazine (including implementation of the mobile-optimised eCHOICE, development of Customer Relationship Management system and further improvement of the functions of “Online Price Watch”)	6.2
Redevelopment of the Council’s website	2.1
Security Enhancement against Ransomware	1.0
Information Technology Security Risk Assessment & Audit	0.8
Monitoring service and software renewal for the internet security system	0.5
Total	10.6

The two projects of “Security Enhancement against Ransomware” and “Information Technology Security Risk Assessment & Audit” are aimed to be completed in Q4 2019 and Q2 2020 respectively. The Council aims to complete all projects by 2022.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)110

(Question Serial No. 1978)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the financial provision for 2018-2019, the new initiatives launched by the Commerce, Industry and Tourism Branch (the Branch) in implementing the Development Blueprint for Hong Kong's Tourism Industry included those on promoting smart tourism, such as the launch of a new smart travel landing page and a provision of \$13.73 million for the Hong Kong Tourism Board to revamp the discoverhongkong.com website and enhance digital platforms' content. Under Matters Requiring Special Attention in 2019-20, the Branch will commission a consultancy study on smart tourism development for planning and implementation of relevant initiatives. Please advise whether consultancy studies have been commissioned before the promotion of smart tourism. If yes, what are the specific details and initiatives implemented? If no, what are the justifications for promoting smart tourism mentioned above? What are the specific directions and details of the consultancy study on smart tourism to be commenced? What are the consultancy fee, as well as the timetable for scheduled completion of the study and implementation of the relevant initiatives?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 11)

Reply:

The Government commissioned a consultancy study for formulating the blueprint for smart city development in Hong Kong in September 2016. The consultancy study report, published in June 2017, recommended exploring smart technologies to enhance visitors' experience in Hong Kong. The Tourism Commission (TC) also promulgated the Development Blueprint for Hong Kong's Tourism Industry in October 2017, pointing out that Hong Kong's tourism industry should pursue a balanced, healthy and sustainable development, as well as articulating a clear vision, mission and four development strategies. One of the strategies is about developing smart tourism through the use of smart technology

to provide better tourist services, and through encouraging the industry to make good use of innovative technologies to enhance their competitiveness.

In order to better promote smart tourism, TC plans to commission a consultancy study in 2019-20 on strategies and initiatives to promote smart tourism in Hong Kong to better grasp our visitors' travel habits and enhance their travel experience through the use of technology. The estimated budget for the consultancy study is \$3 million. Upon the completion of the consultancy study, we will study the recommendations concerned, including the implementation timetable of the related initiatives.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)111

(Question Serial No. 1979)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under "Matters Requiring Special Attention in 2019-20" that the Hong Kong Tourism Board (HKTB) will be launching promotion campaign on the 20th anniversary of Quality Tourism Scheme to reinvigorate quality service and hospitality culture. On the other hand, in 2018-19, HKTB spent \$8 million on promoting the Quality Tourism Services and "Quality and Honest Hong Kong Tours" schemes in the Mainland. How is visitor satisfaction gauged under the Quality Tourism Services and "Quality and Honest Hong Kong Tours" schemes? What are the work details of the specific plans and the distribution of estimated expenditure for the promotion campaign on the 20th anniversary of Quality Tourism Scheme during 2019-20?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 12)

Reply:

The Quality Tourism Services (QTS) Scheme encourages merchants to continuously enhance their service standards. In 2018/19, the Hong Kong Tourism Board (HKTB) made use of the \$8 million provided for stepping up promotion of the Quality Tourism Services (QTS) Scheme and the Quality and Honest Hong Kong Tours (QHT) in the Mainland to put across positive messages to consumers, with a view to enhancing Hong Kong's tourism appeal and strengthening the city's image as a destination with good hospitality and quality of service.

According to feedbacks collected from the regular survey conducted on departing visitors by HKTB, the satisfaction level of Mainland overnight visitors in 2018 is 8.7 over a 10-point scale, which is not only higher than that in 2017 (i.e. 8.5), but also higher than the total visitor satisfaction levels of all visitors (i.e. 8.6). It shows that the Mainland visitors have a good overall impression on Hong Kong.

2019 is the 20th anniversary of the QTS Scheme. HKTB will continue to support local merchants to enhance their service standards and further expand the coverage of visitor services through the scheme. The relevant initiatives are as follows:

- riding on the scheme's 20th anniversary, a series of celebrations will be held and spending privileges offered by the merchants in the scheme will be provided to both local residents and visitors to encourage spending at the accredited outlets;
- plans to produce TV commercials to further promote Hong Kong's quality service;
- continue to expand the QTS network through recruiting new merchants and outlets. It will also review and fine-tune the accreditation mechanism according to the evolving business environment. In addition, accreditation arrangement is being studied to cater for the need of developing Muslim market and emerging markets;
- through partnership with Google, QTS merchant information will be made available to visitors through Google's various travel-related applications and functions;
- awareness campaigns will be held in the Mainland through various means including advertising, digital marketing and public relations. Meanwhile, through continued partnerships with leading dining, shopping and lifestyle digital platforms such as Dianping and Meituan, visitors will be provided with the QTS merchant list and encouraged to download the QTS merchants' spending offers and privileges;
- leveraging the network and market influence of the Quality Tourism Services Association, HKTB will endeavour to attract more merchants to join the scheme and provide spending offers to visitors via HKTB's promotions and communication channels. This will help raise awareness of and satisfaction with the scheme as well as generating business opportunities for the QTS merchants; and
- promotion campaign will be rolled out to enhance local merchant's awareness of the QTS Scheme and promote hospitable culture.

In 2019-20, HKTB is provided with an additional funding of \$8 million by the Government to launch promotions related to the 20th anniversary of the QTS Scheme.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)112

(Question Serial No. 1980)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under "Matters Requiring Special Attention in 2019-20" that the Hong Kong Tourism Board will promote Hong Kong's green tourism products on offer through "Hong Kong Back Garden" campaign and supporting trail run events. For the "Hong Kong Back Garden" campaign, please explain how the five areas of various themes be selected, the estimated tourist receiving capacity and connecting transport arrangement. What are the estimated manpower and expenditure involved? For supporting trail run events, please provide the number of event organisers who are already or planned to be in collaboration and the quotas of the events. Runners from which countries or regions are expected to be attracted to participate in the events in Hong Kong? What are the estimated manpower and expenditure involved?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 13)

Reply:

Hong Kong Tourism Board (HKTB) has been promoting Hong Kong's nature-based green tourism products and countryside landscapes through the "Great Outdoors Hong Kong" platform between November and March every year. In 2019-20, HKTB will introduce an enhanced platform entitled "Great Outdoors Hong Kong 2019: Hong Kong Back Garden". The campaign aims at highlighting Hong Kong's hidden green treasures under five themes to showcase the city's natural scenery, landscape and ecological environment to independent travelers as promotion targets. In planning the routes, HKTB will consider various factors such as the possibility of highlighting the uniqueness and diversified green nature of Hong Kong, the attractiveness and accessibility of the specific attractions. HKTB will consider in detail the views from different sectors and draw up promotional plan having regard to the development of the tourist supporting facilities in the corresponding districts.

During the “Great Outdoors Hong Kong” promotion period, 18 qualifying trail running races of the Ultra-Trail du Mont-Blanc took place in Hong Kong. The most popular among overseas and Mainland runners is “Hong Kong 100” which attracted participation of more than 1 800 local and overseas runners when the race was held in January 2019. HKTB will continue to seek collaborations with various race organisers and enhance overseas promotion of various races, including the “Hong Kong 100” to be held in January 2020 with a view to attracting more runners to take part in the races, so as to promote Hong Kong’s unique natural scenery and diverse tourism appeal.

The “Great Outdoors Hong Kong 2019: Hong Kong Back Garden” and trail running races are the promotion events of green tourism. The total marketing budget for HKTB in 2019-20 is around \$433.3 million, which includes part of HKTB’s proposed marketing budget for green tourism. Moreover, among the additional funding allocated to HKTB in the 2019-20 Government Budget, \$10 million is earmarked for promoting green tourism. The staffing for the project will be absorbed by the existing establishment of HKTB, and it is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)113

(Question Serial No. 0674)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary has stated that the Government is seeing positive outcomes in areas such as supporting industries in exploring markets, establishing business matching platforms for enterprises and encouraging our professional services sector to participate in Belt and Road projects. In this connection, please inform this Committee of:

1. the actual manpower and expenditure committed by the Government, as well as the major outcomes achieved in 2018-19; and
2. the manpower and expenditure expected to be committed by the Government, as well as the major projects to be rolled out in 2019-20.

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 34)

Reply:

The current-term Government has been playing the role of “facilitator” and “promoter” to proactively implement policies and measures to seize the opportunities brought by the Belt and Road Initiative (B&RI). The HKSAR Government has been stepping up co-operation with mainland authorities in participating in the B&RI, and an “Arrangement between the National Development and Reform Commission and the Government of the Hong Kong Special Administrative Region for Advancing Hong Kong’s Full Participation in and Contribution to the Belt and Road Initiative” (the “Arrangement”) was signed on 14 December 2017 to provide a blueprint for mutual co-operation. In accordance with the Arrangement, a Joint Conference mechanism has been set up between the HKSAR Government and relevant mainland authorities for regular and direct communication, and the first Joint Conference meeting was convened in mid-June 2018.

The Government has been and will continue to promote enterprises and professional services to form strategic partnerships for “going global” en bloc by means of establishing various platforms. For instance during 2018-19, sharing sessions respectively on economic and trade co-operation zones; trade investment policies and practices of Belt and Road countries; and risk management of Belt and Road projects were held in conjunction with the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Commerce of the Central People’s Government in Hong Kong on 14 August 2018, 12 November 2018 and 25 February 2019. As well, the Government co-organised with the Hong Kong Trade Development Council (TDC) the 3rd Belt and Road Summit on 28 June 2018, which attracted some 5 000 participants, and over 520 one-to-one business matching meetings involving more than 230 projects were arranged.

In 2018-19, the Belt and Road Office (BRO) has a total establishment of 19, and the anticipated overall expenditure of the BRO is about \$21.185 million.

In 2019-20, the HKSAR Government will continue to strengthen policy co-ordination with the mainland authorities and follow up on the implementation of the Arrangement by means of the various established direct communication and exchange platforms, including the participation of Hong Kong in the Belt and Road Joint Conference mechanism established with the relevant ministries, and the Belt and Road Task Group established with the Ministry of Commerce of the Central People’s Government. The second Belt and Road Joint Conference is tentatively scheduled to be held in mid-2019. The BRO of the Commerce and Economic Development Bureau will organise business and professional mission(s) to Belt and Road related countries and regions to explore business opportunities thereof.

The Government and TDC will co-organise the 4th Belt and Road Summit on 11 to 12 September 2019 to continue to promote and foster Hong Kong as an international commerce and trading platform for the B&RI. “Hong Kong IN : Creating and Realising Opportunities” will be the theme of this year’s Summit, which will continue to feature investment and business matching sessions and one-to-one business matching meetings to encourage business partnerships.

In 2019-20, the BRO will have a total establishment of 21, and the estimated overall expenditure is about \$39.958 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)114

(Question Serial No. 0250)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work to continue to take forward the expansion projects of the Hong Kong Disneyland Resort, given that the option for the Hongkong International Theme Parks Limited (HKITP) to buy the Phase 2 Site will expire in September 2020, will the Government inform this Committee of whether it has discussed the plan for the Phase 2 Site with the HKITP? If yes, what are the details; if not, will the Government commence discussions on the option to buy the Phase 2 Site with the HKITP in this financial year?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 1)

Reply:

The Government and The Walt Disney Company (TWDC) explore from time to time different directions of Hong Kong Disneyland Resort (HKDL)'s long-term development (including the possibility of Phase 2 development). There has yet to be any decision. Given that HKDL's long-term development is premised on its stable business prospects, we are now focusing on implementing HKDL's Phase 1 expansion and development plan to ensure that various new attractions are rolled out progressively in the coming few years, with a view to growing HKDL's business and preparing for its further development.

Separately, according to the Option Deed signed between the Government and Hongkong International Theme Parks Limited (i.e. the joint venture with the Government and TWDC as shareholders) in 2000, the joint venture has an Option to purchase the Phase 2 site (i.e. the reclaimed site to the east of HKDL) for taking forward HKDL's further development. As set out in the Option Deed, the Option is valid until 2020 and can be extended twice, each extension for five years until 2025 and 2030 respectively. The Government and TWDC would discuss the extension of the Option in accordance with the arrangements in the Option Deed.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)115

(Question Serial No. 0251)

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

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

Programme: (9) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Competition Commission (the Commission), will the Government inform this Committee of:

- (1) the percentage share of enforcement cases escalated to in-depth investigations among the enforcement enquires or complaints received in 2018;
- (2) the percentage share of cases (only one case in 2018) brought to the Competition Tribunal (the Tribunal) among the enforcement cases escalated to in-depth investigations in 2018 and the reason(s) for such a few number of cases brought to the Tribunal; and
- (3) the breakdown of the increased provision for the litigation work of the Commission, detailing expenses on emoluments, investigation, etc.

Asked by: Hon LUK Chung-hung (Member Question No. (LegCo use): 2)

Reply:

In 2018, the Competition Commission (“the Commission”) received a total of 756 complaints and enquiries. 24 were escalated to the initial assessment phase. Around 25% of these cases subsequently proceeded to in-depth investigation. The Commission was conducting more than 40 initial assessments and in-depth investigations at any one time during the year.

In the three years since the full commencement of the Competition Ordinance (“CO”) in December 2015, the Commission already brought three cases to the Competition Tribunal (“Tribunal”). This enforcement result compares very favourably with overseas competition agencies of similar experience.

Bringing a case to the Tribunal involves a series of investigative steps, including gathering of information and documents, conducting interviews, searching premises for evidence, followed by legal analysis of evidence to determine whether the statutory threshold for bringing a case before the Tribunal has been met. In cartel cases, the Commission typically faces multiple respondents which has implications on the time needed for evidence gathering and legal analysis.

It should also be noted that bringing a case to the Tribunal is not the only enforcement outcome available. For contraventions of the CO of a less serious nature, the Commission has other statutory options such as issuing infringement or warning notices, obtaining commitments from relevant parties or issuing compliance reminders. During the past three years, the Commission has issued compliance reminders in certain cases that it investigated.

To support the Commission’s litigation work, we have reserved a dedicated funding of \$238 million since 2018-19. The revised estimated litigation expenditure of the Commission in 2018-19 is \$28.71 million, and it mainly covered the costs for engaging external solicitors and counsels as well as in-house litigators.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)116

(Question Serial No. 0252)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government inform this Committee of:

- (1) the details of enhancing the tourist-friendliness of hiking trails, the progress of each project concerned and the completed projects;
- (2) the content of the new arts cum historical, cultural and green tourism event at Yim Tin Tsai in Sai Kung, setting out the activities launched, the expenditure involved and the number of tourists attracted;
- (3) the details of the work in promoting the green tourism products on offer in Hong Kong in collaboration with the Hong Kong Tourism Board, the tourism sector and relevant government departments, as well as the content of each product;
- (4) the time for commissioning a consultancy study to review the facilities of the Hong Kong Wetland Park, the department(s)/non-governmental organisation(s) responsible for conducting the consultancy study, the scope of the study (covering only park facilities or ancillary roadworks and transport facilities as well), and the expected completion date of the study?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 6)

Reply:

In order to promote green tourism, the Government has earmarked an annual funding of \$15 million from 2018-19 to 2022-23 to enhance the tourism supporting facilities of some popular hiking trails as well as those with tourism appeal potential within country parks. The enhancement works mainly cover improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points, enrichment of information boards, etc. The Government will enhance the supporting facilities of Dragon's Back (Shek O Country Park), Peak Trail (Pokfulam Country Park),

Wu Kau Tang to Lai Chi Wo (Pat Sin Leng Country Park), Shing Mun Reservoir Walk (Shing Mun Country Park), MacLehose Trail Section 1 (Sai Kung East Country Park) and Lantau Trail Section 2 (Lantau South Country Park), etc. Improvement works have been commenced. The first phase which involves MacLehose Trail Section 1, Peak Trail and Wu Kau Tang to Lai Chi Wo will be completed in the fourth quarter of 2019. Furthermore, the Government will enhance the relevant thematic website and mobile application to provide detailed information on hiking to enrich visitors' experience. The enhanced website and mobile application are expected to be launched in the fourth quarter of 2019 to tie in with the hiking season.

In addition, we will enhance the facilities of the Ngong Ping Nature Centre by providing interactive display panels and more comprehensive information on the nearby hiking trails. We will also enhance the guided tour service for in-depth visit of the distinctive hiking routes in order to enrich visitors' experience in visiting the green attractions in the vicinity. The details of the above enhancements are now at the planning stage. The above will complement the improvement scheme of the hiking trails near the Ngong Ping Nature Centre. Such improvement works include improving a section of the Nei Lak Shan Country Trail and Lantau Trail; enhancing information boards; expanding an existing viewing platform and constructing three additional viewing platforms for visitors to look at the Tian Tan Big Buddha, Hong Kong-Zhuhai-Macao Bridge, Hong Kong International Airport and nearby scenery. We are formulating the design of the viewing platforms. It is anticipated that the relevant works will commence in end 2019.

As for the new art cum cultural, heritage and green event at Yim Tin Tsai, it aims at providing visitors opportunities to experience Hakka culture and appreciate the beautiful nature in the locality of Sai Kung district. In 2019-20, the Government has reserved \$24 million for the project. We are now working on the detailed implementation plan of the project, including selection of a suitable curator for the event through open tender, and the actual expenditure involved will be confirmed after the launching of the event. The first pilot event will be launched in the fourth quarter of 2019. Subject to a review of the first event, the Government will launch the second and third events in 2020 and 2021 respectively.

Regarding the promotion work on the green tourism products in Hong Kong, the Hong Kong Tourism Board (HKTB) has been promoting the city's natural scenery through digital media, marketing promotions, public relations, visitor centres, hotlines and trade activities. Since 2009, HKTB has been promoting Hong Kong's nature-based green tourism products and countryside landscapes through the "Great Outdoors Hong Kong" platform between November and March each year, covering the Hong Kong UNESCO Global Geopark (Geopark), hiking trails and itineraries featuring the outlying islands, as well as guided tours and green tourism products organised by the travel trade or other organisations. The campaign mainly targets long-haul visitors from the United States and European markets, as well as short-haul visitors from North Asia.

HKTB has also launched the Pilot Scheme to Promote In-depth Green Tourism (the Scheme) in January 2018, which aims to provide subsidy for the travel trade to develop in-depth green tourism products. A total of five green tourism products were subsidised under the Scheme. HKTB is now working with the travel trade to promote these products in different visitor source markets.

On future promotion work on green tourism, concurrent with the “Great Outdoors Hong Kong” promotion this year, 18 qualifying trail running races of the Ultra-Trail du Mont-Blanc took place in Hong Kong. The most popular among overseas and Mainland runners is the “Hong Kong 100”. HKTB will continue to seek collaborations with various race organisers and enhance overseas promotion of various races with a view to attracting more runners to take part in the races, so as to promote Hong Kong’s unique natural scenery and diverse tourism appeal.

To diversify the city’s green tourism products portfolio, an enhanced platform entitled “Great Outdoors Hong Kong 2019: Hong Kong Back Garden” will be introduced in 2019-20 to promote Hong Kong’s hidden green treasures under five themes to visitors, namely the spectacular super volcano in Geopark, the pristine beaches and picturesque reservoirs, the enchanting sunset, the eye-opening biodiversity, and the traditional fishing village, to enhance visitors’ experience in Hong Kong.

In addition, the Tourism Commission has invited the Hong Kong Ocean Park, in collaboration with the Agriculture, Fisheries and Conservation Department (AFCD), HKTB, World Wide Fund-Hong Kong and Ngong Ping 360, to take a lead in developing and implementing a Study Excursion Programme (the Programme) covering eco and cultural attractions in Hong Kong. The Programme has been rolled out in Japan in late 2018 and will be promoted to Mainland cities and nearby countries.

As regards Hong Kong Wetland Park (HKWP), AFCD will commence the tendering process for a consultancy study to review the facilities of the HKWP in mid-2019. The consultancy study will cover the exhibition and visitor facilities of HKWP and is expected to be completed in mid-2020.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)117

(Question Serial No. 0940)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the monitoring of the implementation of the Food Truck Pilot Scheme (the Scheme) during the two-year extension period, please advise on

- (1) the annual operating account position of various food trucks;
- (2) whether the Government has compiled statistics on the flow of people at various operating venues of food trucks;
- (3) the number of food trucks withdrawn from the Scheme since its implementation and the reasons for withdrawal; and
- (4) will the Government consider further enhancing the Scheme, such as further increasing the operating venues in the coming year?

Asked by: Hon LUK Chung-hung (LegCo internal reference no.: 61)

Reply:

The Food Truck Pilot Scheme (the Scheme) was launched on 3 February 2017. 15 food trucks commenced their business successively from February to December 2017. The Government has earlier announced the extension of the Scheme for two years from 3 February 2019.

The Tourism Commission (TC) assessed the business performance of the food trucks through the statements of accounts submitted by the food truck operators rather than the people traffic at respective operating venues of food trucks. The total gross revenue of 15 food trucks was around \$40 million as at early January 2019. Details are shown in the below table:

Gross revenue (up to early January 2019)	Number of food trucks
Between \$4 million and \$4.5 million	Two
Between \$3.5 million and \$4 million	One
Between \$3 million and \$3.5 million	Three
Between \$2.5 million and \$3 million	Four
Between \$2 million and \$2.5 million	One
Between \$1.5 million and \$2 million	Three
Below \$1.5 million	One (The food truck commenced business in December 2017)

Since the launch of the Scheme, two operators withdrew from the Scheme during the licence application process. Another operator withdrew from the Scheme after running the business for a few months allegedly due to disagreement with his business partner.

Taking account of the operating performance of food trucks and operators' opinions, TC has rolled out various refinement measures since May 2017, which include:

- introducing four new operating venues (i.e. AsiaWorld-Expo, Science Park, Hong Kong University of Science and Technology and Hong Kong Science Museum);
- offering a more flexible rotation arrangement where food trucks could operate at Energizing Kowloon East Venue 1 in daytime and shift to operate in Tsim Sha Tsui Art Square in nighttime;
- allowing operators to choose whether to operate at the designated venue under the rotation schedule and pay service fees only on the operation days, thereby providing greater room and flexibility for their operation;
- allowing operators to apply to operate at new venues they identified by themselves as long as the venue management allows the food trucks to operate at the venues with appropriate ancillary facilities, and if the parking location will not cause obstruction to pedestrians and vehicles; and
- allowing food trucks to apply to participate in self-identified events as long as these events are open to the public with publicity plans available and licences obtained (e.g. Temporary Place of Public Entertainment licence granted by the Food and Environmental Hygiene Department). As at 25 February 2019, food truck operators applied to operate at 70 self-identified open-to-public events. All these events were approved by TC.

In fact, TC has been relaxing the Scheme to reduce restrictions and enhance operation flexibility for improving the operators' business environment. During the extension period of the Scheme, TC will continue to look for other new operating venues where practicable, including outside of the Passenger Clearance Building of Hong Kong-Zhuhai-Macao Bridge Hong Kong Port, and to encourage relevant government departments to consider engaging food trucks in events organised or sponsored by them.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)118

(Question Serial No. 3261)

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

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

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

1) Will the Bureau please provide the date of incorporation, objectives and mode of operation of the following funds; and the balance, government injection amount, investment or other income and total expenditure of the funds in 2015-16, 2016-17 and 2017-18? If there are other funds within the purview of the Bureau not being listed below, please also provide information as per the items above.

1. Consumer Legal Action Fund
2. Dedicated Fund on Branding, Upgrading and Domestic Sales
3. Mega Events Fund
4. SME Export Marketing and Development Funds

2) Regarding the funds overseen by the Bureau, how will the Government assess and monitor the situation of various subsidies? Is there any indicators for reviewing the effectiveness of the funds? If yes, what is the latest situation? If no, what are the reasons?

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 8)

Reply:

Please see below for the details of the four Funds referred in the question.

Name of Fund : Consumer Legal Action Fund
Date of incorporation: 30 November 1994
Objective : Facilitate consumer access to legal remedies by providing financial and legal assistance to consumers in cases involving significant consumer interests.
Mode of operation : Fund outside the Accounts of the Government

Financial Year	Government injection (\$million)	Investment or other income (\$million)	Total Expenditure (\$million)	Balance (\$million)
2015-16	-	0.30	2.94	11.29
2016-17	-	0.12	2.47	8.94
2017-18	-	0.10	1.84	7.20

No performance indicators have been set for the Consumer Legal Action Fund. The trustee of the Fund has been reviewing the operation and effectiveness of the Fund from time to time, as well as implementing appropriate improvement measures when necessary.

Name of Fund : Mega Events Fund (MEF)
Date of incorporation: 8 May 2009
Objective : To provide funding to support organisations interested in hosting events to organise attractive arts, cultural, sports and entertainment events in Hong Kong, so as to strengthen Hong Kong's position as the events capital of Asia and attract more visitors to Hong Kong.
Mode of operation : Fund under the Accounts of the Government (Head 152)

Financial Year	Government injection (\$million)	Investment or other income (\$million)	Total Expenditure (\$million)	Balance (\$million)
2015-16	-	-	16.009	92.799
2016-17	-	-	18.526	74.273
2017-18 ^{Note}	-	-	19.981	-

Note : Due to the expiration of the MEF by the end of March 2017, there was no new event supported by MEF in 2017-18. The expenditure in 2017-18 reflected expenditure for settling outstanding balances in respect of MEF-supported events completed before end-March 2017.

As the MEF had expired in end-March 2017, the issues on the assessment and monitoring over the MEF as well as the related indicators are not applicable.

Name of Fund : Dedicated Fund on Branding, Upgrading and Domestic Sales
Date of incorporation: 25 June 2012
Objective : The Fund originally comprised the Enterprise Support Programme (ESP) and the Organisation Support Programme (OSP), providing funding support to Hong Kong enterprises and non-profit-distributing organisations respectively, so as to assist enterprises in enhancing their competitiveness and furthering their business and branding development in the Mainland. The OSP was merged with the former SME Development Fund (SDF) to form the Trade and Industrial Organisation Support Fund (TSF) in October 2018.
Mode of operation : Fund under the Accounts of the Government (Head 181)

Financial Year	Government injection (\$million)	Investment or other income (\$million)	Total Expenditure (\$million)	Balance (\$million)
2015-16	-	-	53.305	727.767
2016-17	-	-	71.910	655.857
2017-18	-	-	100.460	555.397

Name of Fund : Export Marketing and Trade and Industrial Organisation Support Fund (Previously named SME Export Marketing and Development Funds)
Date of incorporation: 14 December 2001
Objective : The Fund comprises two schemes, namely the SME Export Marketing Fund (EMF) and the TSF. The EMF provides financial assistance to encourage small and medium enterprises (SMEs) to expand their markets outside Hong Kong through participation in export promotion activities. The TSF provides financial support to non-profit-distributing organisations to implement projects which aim at enhancing the competitiveness of non-listed Hong Kong enterprises in general or in specific sectors.
Mode of operation : Fund under the Accounts of the Government (Head 181)

Financial Year	Government injection (\$million)	Investment or other income (\$million)	Total Expenditure (\$million)	Balance (\$million)
2015-16	1,500.000	-	206.870	1,713.502
2016-17	-	-	174.125	1,539.377
2017-18	-	-	166.151	1,373.226

The Trade and Industry Department reviews the operation and effectiveness of the above two funding schemes from time to time, including sending questionnaires to the funded enterprises and organisations, and gathering views of the trade on the funding schemes through advisory boards including the Trade and Industry Advisory Board and the Small and Medium Enterprises Committee, to ensure that appropriate support is provided to SMEs. We have injected funding and introduced enhancement measures to the various funding schemes according to the needs and prevailing circumstances of the trade, including increasing the funding ceiling, expanding the funding scope, and making appropriate adjustments to the mode of operation to meet the needs of the trade. According to survey results, the trade generally considers that the funding schemes provide practical support to enterprises across different industries and sectors, helping them to develop business and enhance their competitiveness.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)119

(Question Serial No. 3667)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Pilot Scheme to Promote In-depth Green Tourism (the Scheme), please provide the following information:

- (1) The number of funded projects, particulars of project applicants, contents of projects, number of visitors served and final amount of subsidy under the Scheme in 2018.
- (2) In 2018, in which visitor source markets did the Hong Kong Tourism Board (HKTb) launch promotion and what promotion measures were taken to promote the green tourism products funded by the Scheme? What was the relevant expenditure for each promotion measure?
- (3) Regarding the green tourism products funded by the Scheme, has the Government collected visitors' views to assess the effectiveness of the Scheme? If yes, please explain in details how the assessment has been conducted. If not, what are the reasons?
- (4) How effective was the Scheme in 2018? What plans does the Government have in the coming 5 years to promote green tourism?

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 33)

Reply:

In 2017-18, the Hong Kong Tourism Board (HKTb) had been granted \$5 million to launch the Pilot Scheme to Promote In-depth Green Tourism (the Scheme) aiming to provide subsidy for the travel trade to develop in-depth green tourism products. The Scheme, which was open for application in September 2017, received 16 applications, in which five

green tourism products were subsidised. The aforesaid tourism products were released to market in mid-January 2018. Details are tabulated below:

Products	Itineraries	Project Applicants
Rock Academy – Sai Kung Volcanic Rock Region	Sharp Island, Volcano Discovery Centre and Lions Nature Education Centre	HS Travel International Company Limited
Geopark Boat Tour: Sai Kung Islands	Kau Sai Chau, High Island, Jin Island and Sharp Island	ECO Travel Limited
Lantau South In-depth Agriculture Fishery and Heritage Tourism	Shek Pik Reservoir, Tai-O, Yi-O, Fan Lau Fort	Eastern Coast Travel (HK) Ltd
Lai Chi Wo Hiking Tour	Wu Kau Tang, Sam A Tsuen and Lai Chi Wo	Walk Hong Kong Ltd
Geopark Hiking Tour	High Island Reservoir East Dam, Pak Lap and Tung A	Walk Hong Kong Ltd

As the Scheme is still in progress, the total number of participants is not yet available and the total amount of subsidy to each product will depend on the actual number of participants.

The above products under the Scheme mainly took place from January to May, as well as between November and December, during which are the best time for outing in Hong Kong. HKTB has been promoting the city's natural scenery to local and overseas visitors, international media and overseas travel trade through digital media, marketing promotions, public relations, visitor centres, hotlines and trade activities. Besides, HKTB also promotes Hong Kong's nature-based green tourism products, including the Scheme and countryside landscapes through the "Great Outdoors Hong Kong" platform between November and March each year, covering the Hong Kong UNESCO Global Geopark, hiking trails and itineraries featuring the outlying islands, as well as guided tours and green tourism products organised by the travel trade or other organisations. The campaign mainly targets long-haul visitors from the United States and European markets, as well as short-haul visitors from North Asia.

The total marketing budget for HKTB in 2019-20 is around \$433.3 million, which includes part of HKTB's proposed marketing budget for green tourism. Moreover, among the addition funding from the 2019-20 Government's Budget to HKTB, \$10 million is earmarked for promoting green tourism.

HKTB has gathered visitors' feedback of the green products under the Scheme through surveys. In general, the visitors are satisfied with the products. HKTB will keep in view the feedbacks to these products and will continue to stay close in touch with the travel trade so as to enhance the Scheme in a timely manner.

By way of the Great Outdoors Hong Kong platform, HKTB will continue to promote the city's natural scenery, landscape and ecological environment, particularly to individual travellers from long-haul and short-haul markets. Moreover, concurrent with the "Great Outdoors Hong Kong" promotion, 18 qualifying trail running races of the Ultra-Trail du Mont-Blanc took place in Hong Kong. The most popular among overseas and Mainland

runners is the“Hong Kong 100”. HKTB will continue to seek collaborations with various race organisers and enhance overseas promotion of various races with a view to attracting more runners to take part in the races, so as to promote Hong Kong’s unique natural scenery and diverse tourism appeal.

In addition, the Tourism Commission has invited the Hong Kong Ocean Park, in collaboration with the Agriculture, Fisheries and Conservation Department, HKTB, World Wide Fund-Hong Kong and Ngong Ping 360, to take a lead in developing and implementing a Study Excursion Programme (the Programme) covering eco and cultural attractions in Hong Kong. The Programme has been rolled out in Japan in late 2018 and will be promoted to Mainland cities and nearby countries.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)120****(Question Serial No. 3687)**

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The main responsibilities of the Commerce, Industry and Tourism Branch (the Branch) under this programme are to formulate policies on tourism development; and to co-ordinate implementation of tourism projects and initiatives. In this regard,

- (a) please use the table below to provide details of mega events organised by the Hong Kong Tourism Board (HKTB) in Hong Kong in the past year.

Event	Date of the event	Description of the event	Expenditure	Number of participants

- (b) please use the table below to provide details of mega events held in Hong Kong and sponsored by the Government or HKTB in the past year.

Event	Organisation sponsored	Date of the event	Description of the event	Amount of sponsorship	Number of participants

- (c) since the 2017-18 financial year, the Government has been adopting the following 4 new strategies to encourage and support different organisations to stage events or activities in Hong Kong: (1) providing one-stop support for large-scale commercial events with significant tourism merits, (2) cultivating home-grown events to enhance their status, (3) supporting international events with significant branding impact on Hong Kong, and (4) introducing a pilot scheme to provide funding support for activities with local characteristics and tourism appeal. What work or projects did the Government engage in respectively under the 4 strategies in 2018-19? What were the

respective expenditures involved? What work or projects does the Government expect for 2019-20? What will be the estimated expenditure involved?

- (d) It is mentioned under the Matters Requiring Special Attention in 2019–20 that the Branch will continue to take forward the creative tourism project with creative, artistic and cultural elements at selected districts, and organise a new pilot arts cum historical, cultural and green tourism project at Yim Tin Tsai. What creative tourism projects with creative, artistic and cultural elements have been taken forward in the past? Please provide details and the respective expenditures involved. Please also provide details of and the expenditure involved in the new pilot arts cum historical, cultural and green tourism project at Yim Tin Tsai.

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 82)

Reply:

Details of the mega events organised by the Hong Kong Tourism Board (HKTB) in Hong Kong in 2018-19 are as follows:

Event	Date	Programme	Event staging and promotion expenditure Note 1 (HK\$)	Attendance
Hong Kong Dragon Boat Carnival	22-24 June 2018	The event was held at the Victoria Harbour and the Central Harbourfront with highlights of international and local dragon boat races, artificial beach, “Splash Fun Area”, food trucks and sunset concerts, etc.	Around \$14 million	Around 50 000
e-Sports and Music Festival Hong Kong	24-26 August 2018	The event was held at the Hong Kong Convention and Exhibition Centre and staged three e-Sports tournaments. In addition, there was an experience zone showcasing brand new games and products.	Around \$36 million	Around 80 000

Event	Date	Programme	Event staging and promotion expenditure Note 1 (HK\$)	Attendance
Hong Kong Cyclothon	14 October 2018	The event was held across the territory, including three professional races and five activities such as 50km and 30km Rides, Family Fun Ride, Kids & Youth Rides, etc., Hammer Hong Kong, the final leg of Hammer Series in Europe, was the highlight of the event.	Around \$24 million	Around 70 000
Hong Kong Wine & Dine Festival and Hong Kong Great November Feast	Hong Kong Wine & Dine Festival (25-28 October 2018) and Hong Kong Great November Feast (1-30 November 2018)	<p>The 4-day Hong Kong Wine & Dine Festival held at the Central Harbourfront Event Space and the Tamar Park was the kick-off event for the Hong Kong Great November Feast. To celebrate its 10th anniversary, the event was particularly upgraded by including Sunset Tasting, 2009 vintage and limited editions as well as Michelin-star dinner, etc.</p> <p>During the Hong Kong Great November Feast, a range of local restaurants and key dining districts rolled out a series of culinary events and special offers.</p>	Around \$92 million	<p>The Hong Kong Wine & Dine Festival attracted an attendance of around 168 000. The Hong Kong Great November Feast encouraged visitors to explore various districts in Hong Kong, thus it was difficult to estimate the actual attendance.</p>
Hong Kong Pulse Light Festival	International Light Art Display (29 November 2018 – 24 February 2019) Central	The event includes the first-ever International Light Art Display, an upgraded version of A Symphony of Lights, the Central Status Square Christmas Tree as well as promotion of various attractions and events held in the city.	Around \$62 million	The International Light Art Display and the Central Status Square Christmas Tree attracted an attendance of over

Event	Date	Programme	Event staging and promotion expenditure Note 1 (HK\$)	Attendance
	Statue Square Christmas Tree (29 November 2018 - 1 January 2019) Upgraded edition of A Symphony of Lights (From 29 November 2018 onwards)			1.1 million. A Symphony of Lights attracts about 1.5 million visitors per year.
New Year Countdown Celebrations	31 December 2018	A 10-minute pyromusical illuminated at the Victoria Harbour. The newly added lighting effects atop the buildings also made the show more fascinating.	Around \$19 million	Around 350 000
Hong Kong Chinese New Year Promotions (including the International Chinese New Year Night Parade)	5 February 2019	Highlights included the International Chinese New Year Night Parade on the first night of the Chinese New Year at the Hong Kong Cultural Centre and Tsim Sha Tsui district, and the float display and performances by various international performing groups in the following days. Other festive happenings, such as the flower market and the Chinese New Year Fireworks, were also recommended to visitors.	Around \$34 million	Around 155 000

Note 1: Expenditures were partially covered by additional funding provided by the Government, as well as event sponsorship and revenue.

In 2018-19, the Government allocated funding to the HKTB to subsidise the staging of the following mega events and activities in Hong Kong:

Project title	Sponsored organisation	Date of event	Nature	Funding ceiling	Number of participant
Hong Kong Tennis Open	Hong Kong Tennis Open Event Management Limited	6-14 October 2018	Professional international tennis tournament	\$9 million	About 72 000 ^{Note 2}
Hong Kong Open	Hong Kong Golf Association Hong Kong Golf Club	22-25 November 2018	Professional international golf tournament	\$15 million	About 50 000 ^{Note 2}
Yu Lan Cultural Festival	Federation Of Hong Kong Chiu Chow Community Organizations Charity Funds Limited	24-26 August 2018	By participating in the Festival, visitors can experience the culture of paying respects to the deities, and showing filial piety.	\$2 million	About 17 000 ^{Note 2}
Apleichau Hung Shing Culture Festival	Apleichau Kai Fong Tung Hing Association	10-23 March 2019	Through different rituals in the Festival such as the release of water lanterns into the sea, dragon boat parade, Hung Shing Festival parade, traditional processions and variety shows, etc., visitors can experience the traditional Chinese festival and culture.	\$1.3 million	The number of participants is not yet available as the event was staged in March 2019.

Note 2: Preliminary numbers. The actual numbers will be confirmed after the HKTB has completed assessment of the evaluation reports to be submitted by the event organisers.

Since 2017-18, the Government has been adopting a new strategy to support the staging of events and activities with different scales and nature in Hong Kong to tie in with our policy objective of diversification and attracting high-yield overnight visitors. The Government allocated \$121.3 million in 2018-19 to continue implementing the new strategy to promote the staging of the mega events and activities in Hong Kong:

- the Tourism Commission to provide “one-stop” support to large-scale commercial events with significant tourism merits (e.g. the FIA Formula E Hong Kong E-Prix), including enhancing the communication and cooperation among the organisers and the Government bureaux / departments;
- to enhance four home-grown events (including the Hong Kong Dragon Boat Carnival, the Hong Kong Cyclothon, the Hong Kong Wine & Dine Festival and the Tai Hang Fire Dragon Dance) with a view to marketing them as signature events in Asia;
- to support the marketing and publicity of international events with significant branding impact (including the Art Basel, the Hong Kong Sevens, the Hong Kong Tennis Open and the Hong Kong Open) to be held continuously in Hong Kong; and
- to implement the Pilot Scheme for Characteristic Local Tourism Events for providing funding support for arts, cultural, festivals, dining or sports events with Hong Kong’s local characteristics and unique attributes.

In 2019-20, the Government will allocate \$159.4 million to continue the implementation of the above work under the new strategy so that events and activities of different scales and types could be supported according to their needs, and as a result Hong Kong will have a wide range of events and activities with local characteristics throughout the year to attract more visitors to Hong Kong.

Tourism Commission, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation, through collaboration with different sectors, have launched the 3-year project, “Design District Hong Kong” (#ddHK), which comprises distinctive public art place making works, local comic characters with Hong Kong’s originality, multimedia and creative technology, characteristic fashion parade etc. to raise the appeal of Sham Shui Po and Wan Chai as tourism spots. The project is being rolled out progressively from December 2018, including place making artworks at different locations of Wan Chai so as to enrich the creative atmosphere and activate the public spaces, and virtual sculpture through the application of Augmented Reality to reincarnate the old lives and stories of local people in the 40s to the 70s to the tourists and the public. Besides, a distinct Fashion Parade was held in Sham Shui Po with multi-disciplinary crossovers in fashion, music, digital art and art performance and the participation of local fashion designers being inspired by the characteristics of Sham Shui Po and making use of local fashion materials to make the outfits. Other deliverables under #ddHK will be rolled out progressively as scheduled in 2019-20 and 2020-21. The expenditure of this project in 2018-19 is \$20 million.

The new art cum cultural, heritage and green event at Yim Tin Tsai aims at providing visitors opportunities to experience Hakka culture and appreciate beautiful nature in the locality of Sai Kung district. In 2019-20, the Government has reserved \$24 million for the project. We are now working on the detailed implementation plan of the project, including selection of a suitable curator for the event through open tender, and the actual expenditure involved can only be confirmed after the launching of the event. The first pilot event will be launched in the fourth quarter of 2019. The Government will review the effectiveness of the project after launching the first event, and will launch the second and third event in 2020 and 2021 respectively.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)121

(Question Serial No. 2347)

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

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

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Earlier on, Hongkong Post (HKP) planned to cover the British crown markings and royal ciphers on existing posting boxes. Since the plan met with strong opposition from the public, the Government decided to review it. Last year, the Government stated that "we do not consider it necessary to change the markings or ciphers on the existing old posting boxes". In this connection, please advise this Committee of the following:

1. What is HKP's latest plan or proposal?
2. Will any new proposal be subject to public consultation prior to implementation?

Asked by: Hon MO Claudia (LegCo internal reference no.: 4)

Reply:

Hongkong Post does not have any plan to change the markings and ciphers on the existing old posting boxes.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)122

(Question Serial No. 2349)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in last year's Budget that the Government "will allocate a total of \$310 million in the next few years to support the Ocean Park in developing education and tourism projects." In 2019-20, the Commerce, Industry and Tourism Branch will "continue to work closely with the Ocean Park Corporation to facilitate its implementation of the waterpark and hotel projects, as well as its education tourism and light show projects, with a view to strengthening Hong Kong's position as a premier destination in the region". In this connection, please advise this Committee of:

- (1) the timetable for the allocation;
- (2) the details of the education and tourism projects to be developed and the new 3D projection-cum-water light show to be staged, as well as the respective percentages of the two items in the estimated allocation mentioned above; and
- (3) the amount of public money to be allocated to the Ocean Park for developing education and tourism projects in the 2019-20 financial year.

Asked by: Hon MO Claudia (LegCo internal reference no.: 7)

Reply:

We announced in the 2018-19 Budget that a total of \$310 million would be allocated to support the Ocean Park in developing education tourism projects and staging a new 3D projection-cum-water light show with local elements. These two items are time-limited measures, each accounting for 50% of the total allocation, to be implemented in 5 years (2018-19 to 2022-23). The annual expenditure is as follows –

Financial Year	2018-19 Actual Expenditure (\$ million)	2019-20 Estimated Expenditure (\$ million)	2020-21 Estimated Expenditure (\$ million)	2021-22 Estimated Expenditure (\$ million)	2022-23 Estimated Expenditure (\$ million)
Expenditure	26.3	61.8	103.2	89.2	29.5

As regards the 3D projection-cum-water light show, the Ocean Park is using the Government funding to create a night time multi-media light show, which will be rolled out this year. Regarding the education tourism projects, the Ocean Park will use the Government funding to enhance the Park's existing conservation education projects and plan for new education tourism projects, as well as to establish a technology-driven and highly interactive STEAM education hub. The education tourism projects are expected to be rolled out progressively this year, while the STEAM Hub will be completed by 2020.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)123

(Question Serial No. 2350)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The overall visitor arrivals in 2018 amounted to over 65 million. Among them, nearly 36 million were same-day visitors, of which 90% were from the Mainland. The latest survey conducted by the Hong Kong Institute of Asia-Pacific Studies of The Chinese University of Hong Kong revealed that around 60% of citizens surveyed opined that the number of Mainland visitors under the Individual Visit Scheme already exceeded Hong Kong's receiving capacity. Will the Government inform this Committee of the following:

1. High-level tourism co-ordinating meetings are chaired by the Financial Secretary. Two meetings were already convened in 2017 and 2018. How does the Financial Secretary co-ordinate bureaux and government departments in handling and following up on the impact of visitors on people's livelihood and formulating mitigation measures?
2. When will the high-level tourism co-ordinating meetings be held this year? What are the topics or highlights of discussion?
3. Will any restrictions be imposed on the Individual Visit Scheme? If yes, what are the details; if no, what are the reasons?

Asked by: Hon MO Claudia (LegCo internal reference no.: 10)

Reply:

High-level tourism co-ordinating meetings are chaired by the Financial Secretary and convened on a need basis. The meeting in 2019 is being arranged. At the meetings, the Financial Secretary directed bureaux and departments to work closely together in the areas of tourist support and management, planning of tourism facilities and the related

transportation, and tourism product diversification, as well as to drive the implementation of various tourism-related measures.

The Tourism Commission will continue to play its role in tourism policy planning and, in accordance with the Development Blueprint for Hong Kong's Tourism Industry, collaborate with relevant bureaux and departments, as well as different stakeholders including the Hong Kong Tourism Board and the Travel Industry Council of Hong Kong, to ensure the industry's steady and orderly development and seek to minimise as far as possible the impact of tourist activities on the local community at the same time.

The Government attaches great importance to the policy for Mainland visitors to visit Hong Kong as it is crucial to the Government's overall administration and planning. The Tourism Commission will continue to closely monitor the travel patterns of Mainland visitors and maintain close liaison with the Mainland authorities on relevant arrangements.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)124

(Question Serial No. 2387)

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

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

Programme: (6) Travel and Tourism, (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. In his Budget Speech this year, the Financial Secretary mentioned that he “will allocate an additional sum of around \$353 million to enable the HKTB to step up promotion of Hong Kong’s image as a premier tourism destination, entice visitors to experience Hong Kong’s local culture in different districts, and enhance publicity on Hong Kong’s major festivals and events, etc. Various new initiatives will be rolled out...”
 - (a) What are the details and respective expenses of the new initiatives to be rolled out under the additional provision?
 - (b) Which tourist hotspots will be provided with free Wi-Fi service and what are the expenditure and timetable involved?
2. During 2019-20, the Hong Kong Tourism Board (HKTB) will put efforts and resources in 20 key visitor source markets; prioritise marketing resources to areas of growth; and explore and cultivate potentials of new visitor source markets. Will the Government advise this Committee on:
 - (a) the information of the 20 key visitor source markets and the details of the promotional efforts;
 - (b) the details of the new visitor source markets; and
 - (c) the detailed estimated expenditure for marketing in 2019-20 given that the HKTB will deploy 77% of its total marketing budget to the non-Mainland markets and the remaining 23% to the Mainland market, of which 90% will be deployed to

non-Guangdong region? Please also list in the table below the estimated expenditure.

Target Cities/ Provinces/Regions	Marketing Content	Amount	Percentage Increase/Decrease over the Previous Year

Asked by: Hon MO Claudia (LegCo internal reference no.: 9)

Reply:

To strengthen Hong Kong's competitiveness as the major tourism destination in the region and further exploit the potential of local tourism resources, the Government of this term sets out a comprehensive "Development Blueprint for Hong Kong's Tourism Industry" (the Development Blueprint) in 2017, which outlines the vision and mission of developing Hong Kong into a world-class premier tourism destination and ensuring the balanced, healthy and sustainable development of the industry through implementing various strategies and initiatives.

To continue to implement the Development Blueprint, the Government has allocated an additional \$353 million in 2019-20 for the tourism industry, including the additional funding of \$326 million for the Hong Kong Tourism Board (HKTB), and the remaining \$26.8 million for the Tourism Commission (TC) mainly for taking forward six new initiatives to promote tourism development. These new initiatives will be rolled out progressively within the next few years starting from 2019-20, and the estimated expenditure for these new initiatives is shown in the following tables:

Hong Kong Tourism Board

Tourism initiatives to be implemented	Additional funding amount in 2019-20 (\$ million)
<p><u>Strategy 1: To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</u></p> <ul style="list-style-type: none"> ● Stepping up promotion of Hong Kong's tourism brand in source markets ● Promoting district programmes ● Waiving participation fees of local travel trade in joining overseas promotions ● Participating in overseas promotion events organised by the Hong Kong Trade Development Council ● Launching overseas promotion for new tourism offerings ● Developing new source markets 	131.3

Tourism initiatives to be implemented	Additional funding amount in 2019-20 (\$ million)
<ul style="list-style-type: none"> • Stepping up tourism promotion on multi-destination itineraries by leveraging the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) and the Hong Kong-Zhuhai-Macao Bridge (HZMB) • Conducting studies on the business opportunities and travel trends stemming from the Belt-and-Road (B&R) Initiative, the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) and new infrastructures • Participating in China International Import Expo 	
<p>Strategy 2: To nurture and develop tourism products and initiatives with local and international characteristics</p> <ul style="list-style-type: none"> • Implementing Pilot Scheme for Characteristic Local Tourism Events • Stepping up promotion of green tourism • Enriching mega events' content and enhancing promotion of various large-scale events • Stepping up promotion of MICE tourism • Stepping up promotion of cruise tourism • Promoting Hong Kong-Japan Tourism Year 	167
<p>Strategy 3: To develop smart tourism</p> <ul style="list-style-type: none"> • Rolling out initiatives to promote smart tourism • Revamping discoverhongkong.com website 	14.18
<p>Strategy 4: To upgrade the service quality of tourism industry</p> <ul style="list-style-type: none"> • Stepping up promotion of the “Quality and Honest Hong Kong Tours” and the “Quality Tourism Services” schemes • Promoting quality hospitality riding on the 20th anniversary of the establishment of the “Quality Tourism Services” scheme • Supporting the establishment of HKTB Visitor Centres 	13.7
Total	326.2

Tourism Commission

Tourism initiatives to be implemented	Additional funding amount in 2019-20 (\$ million)
<p><u>Strategy 1: To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</u></p> <ul style="list-style-type: none"> Allocating additional funding to the Travel Industry Council of Hong Kong (TIC) for strengthening its web-based tourism resource platform about B&R related countries and regions and Greater Bay Area cities 	2
<p><u>Strategy 2: To nurture and develop tourism products and initiatives with local and international characteristics</u></p> <ul style="list-style-type: none"> Commissioning a consultancy study to review the exhibition and visitor facilities of Hong Kong Wetland Park Enhancing the facilities and services of Ngong Ping Nature Centre to complement the improvement scheme for the hiking trails in the vicinity 	9.2
<p><u>Strategy 3: To develop smart tourism</u></p> <ul style="list-style-type: none"> Commissioning a consultancy study on promotion of smart tourism Extending the official smart landing page, “Visit Hong Kong”, to other boundary control points 	4.5
<p><u>Strategy 4: To upgrade the service quality of tourism industry</u></p> <ul style="list-style-type: none"> Allocating additional funding to TIC for promoting business co-operation through trade forums or exchange visits in B&R related countries and regions and Greater Bay Area cities, as well as enhancing the service quality of the travel trade through training initiatives 	4
<i>Sub-total</i>	<i>19.7</i>
Other initiatives under implementation	
Supporting the appeal panel under the new regulatory regime of the travel industry, the extension of food truck pilot scheme for two years, and providing additional manpower to implement other on-going initiatives under the Development Blueprint	7.1
<i>Total</i>	<i>26.8</i>

As regards the “Wi-Fi.HK” hotspots, the Finance Committee of the Legislative Council approved in May 2016 a funding commitment of \$500 million for implementing the “Wi-Fi Connected City” programme to progressively expand the coverage of free Wi-Fi services to more public and private venues, bringing convenience for the public and visitors to access the Internet at different locations at any time. As of February 2019, the number of “Wi-Fi.HK” hotspots has exceeded 23 100, covering locations that are popular with our visitors such as Tsim Sha Tsui Promenade, Stanley Promenade, and Hong Kong Cultural Centre and museums (including the Hong Kong Space Museum and the Hong Kong Science Museum). In addition, popular tourist spots such as Ocean Park, Hong Kong Disneyland

Resort and Sik Sik Yuen Wong Tai Sin Temple have also participated in the programme to provide “Wi-Fi.HK” hotspots. We are studying the installation of “Wi-Fi.HK” hotspots at piers for some tourist attractions such as Ma Liu Shui Pier. Moreover, in 2018-19 we have implemented high-speed Internet access points for the “Wi-Fi.HK” hotspots at the Golden Bauhinia Square, Temple Street Pai Lau (near Jordan Road), the Passenger Clearance Building of the Hong Kong-Zhuhai-Macao Bridge, the Peak and the Kowloon Visitor Centre at Tsim Sha Tsui Pier, with an average Internet speed reaching 100Mbps. We will continue to explore other suitable tourist locations for setting up “Wi-Fi.HK” hotspots to provide convenience for visitors to access the Internet.

In 2019-20, HKTb will continue to focus its resources on 20 key source markets, which together generate approximately 96% of all visitor arrivals to Hong Kong. HKTb’s proposed budget in key source markets in 2019-20 is listed below:

(HK\$ million)	2019-20 Proposed Budget[#] (percentage of overall marketing budget)
<i>The Mainland</i>	39.2 (23.1%)
South China	7.8 (4.6%)
<i>Non-Guangdong</i>	3.9 (2.3%)
<i>Guangdong</i>	3.9 (2.3%)
Central China	11.8 (7.0%)
East China	7.9 (4.6%)
North China	11.8 (7.0%)
<i>Short-haul Markets</i>	74.9 (44.1%)
Japan	12.3 (7.3%)
Taiwan	12.1 (7.2%)
South Korea	15.2 (8.9%)
Singapore	4.4 (2.6%)
The Philippines	8.1 (4.8%)
Malaysia	6.5 (3.9%)
Indonesia	7.1 (4.2%)
Thailand	9.2 (5.4%)
<i>Long-haul Markets</i>	42.6 (25.1%)
The US	14.9 (8.8%)
Australia	8.5 (5.0%)
The UK	7.6 (4.5%)
Canada	4.1 (2.4%)
Germany	4.8 (2.8%)
France	2.8 (1.7%)

(HK\$ million)	2019-20 Proposed Budget[#] (percentage of overall marketing budget)
<i>New Markets</i>	<i>12.7 (7.5%)</i>
India	7.9 (4.7%)
Russia	3.0 (1.8%)
The GCC Markets	0.9 (0.5%)
Vietnam	0.5 (0.3%)
The Netherlands	0.4 (0.2%)
Total	169.4 (100.0%)

Remarks: Owing to rounding, the total may differ from the sum of the individual figures.

This column only shows the recurrent funding that has been granted to HKTb by the Government. However, this does not include the additional fund that has been allocated to HKTb in the Budget, which amounts to \$326 million in 2019-20. HKTb is planning the allocation of this additional fund to each source market.

The details of the promotion works of source markets are detailed as below:

The Mainland market

- To increase tourism receipts from this market, HKTb will continue to focus on attracting overnight visitors while fine-tuning its investment, allocating 90% of the market's promotional resources to the non-Guangdong areas in 2019. In particular, as the XRL facilitates direct five-hour travel between Hong Kong and the central and western parts of China at a lower cost than air travel, greater resources will be invested in these areas to attract first-time visits to Hong Kong. Meanwhile, repeat visits by high-spending visitors will be encouraged through continued investment in first-tier cities like Beijing and Shanghai.
- Related initiatives include strengthening collaboration with online media to promote Hong Kong unique features and diversified offerings through posts, images, videos and animation; partnering with airlines and online travel agencies to roll out themed tourism products around mega events targeting the young segment; intensifying cooperation with lifestyle e-commerce platforms and mobile applications to further raise awareness of the Quality Tourism Services (QTS) Scheme among consumers and to increase exposure for the QTS merchants.

Short-haul markets

- In response to short-haul visitors' positive feedback on the Old Town Central and Sham Shui Po district promotion, HKTb will continue to approach this market region with district promotions and introduce a new neighbourhood in 2019-20, inviting visitors to explore different districts in Hong Kong by piquing their interest with the local lifestyle, living culture and in-depth travel experiences.

- Considering short-haul visitors' tendency to decide where to travel not long before their holidays begin, HKTB will continue to join airlines, hotels, attractions and other travel trade partners to launch family and young segments-targeted tourism products that are complementary to HKTB's mega events during school holidays and hotel low seasons, with a view to creating an urge for visitors to confirm Hong Kong as their holiday destination.
- Since 2019 is Hong Kong-Japan Tourism Year, HKTB will step up its promotional effort in Japan through public relations and digital marketing. In particular, Japanese celebrities will be invited to film travelogues in Hong Kong which will then be broadcast on Japanese TV channels. With support from the travel trade, HKTB will launch special offers, and work with the Japanese travel trade and Hong Kong attractions to devise tourism products targeting the educational tour market and reach out to schools in Japan to gauge market reaction.

Long-haul markets

- Consumers in the long-haul markets are more inclined to fix their travel destination ahead of their holidays, which makes it crucial to maintain sustained exposure for Hong Kong in these markets. To do so and to extend reach to consumers, public relations and digital marketing initiatives will be heavily adopted in the long-haul markets.
- Another travel pattern among long-haul visitors is multi-destination travel. Highlighting the convenience brought by the HZMB and the XRL, HKTB will continue to work with the tourism organisations in the Pearl River Delta, as well as Taiwan and Southeast Asia, to encourage visitors to explore Hong Kong and other cities in the Greater Bay Area and the region on multi-destination itineraries. And with the travel trade, multi-destination tourism products featuring Hong Kong will be developed.
- Long-haul visitors are also found to take greater interest in Hong Kong's local culture, natural scenery and outdoor activities. Focusing on these areas, HKTB will produce travelogues in collaboration with both traditional and online media in these markets, calling for visitors to explore Hong Kong first-hand.

New markets

- In 2018, the five new markets, namely India, Russia, the Gulf Co-operation Council countries, Vietnam and the Netherlands showed varying performances as a result of economic and other factors, and the situation is expected to continue in 2019. HKTB will continue to conduct tailored promotions catering for the characteristics of the individual markets. For example, HKTB will continue to promote cruise and MICE travel in India and work with neighbouring destinations to promote multi-destination travel in Russia.

In addition to the current 20 key source markets, HKTB will explore the possibility of conducting long-term promotions in countries connected to Hong Kong with direct flights and whose nationals enjoy visa-free entry to Hong Kong, such as Italy, Spain, Belgium, Turkey and Kazakhstan, and the Belt and Road related countries like Cambodia, with a view

to opening up new source markets. Tourism products will be launched with airlines in these countries to test market response. In the long run, HKTB will keep an eye on the potential of markets to which Hong Kong-based airlines operate new direct routes.

HKTB will also study the potential of the Muslim visitor segment and the opportunities and challenges faced by the local travel trade in tapping into the potential of this group, in preparation for possible targeted promotion investment in the future.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)125

(Question Serial No. 7207)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The latest survey conducted by the Hong Kong Institute of Asia-Pacific Studies of The Chinese University of Hong Kong revealed that around 60% of citizens surveyed opined that the number of Mainland visitors under the Individual Visit Scheme already exceeded Hong Kong's receiving capacity. Will the Government review the prevailing policies and tighten the "one trip per week" measure?

Asked by: Hon MO Claudia (LegCo internal reference no.: 19)

Reply:

The implementation of the "one trip per week" measure has effectively lowered the number of visits made by persons travelling to Hong Kong multiple times within one week or even one day, and has a significant deterrent effect on professional parallel traders arriving with Mainland travel documents. The Tourism Commission will continue to closely monitor the travel patterns of Mainland visitors but has no plan to invite the Mainland authorities to review the "one trip per week" policy.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)126

(Question Serial No. 3703)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget Speech that another \$1 billion will be injected into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund). Please advise this Committee of the following:

- (1) the number of applications received and approved, as well as the average and total amount of funding approved under the Bud Fund in the past 3 years, broken down by the major business of the applicant enterprise and category of the product/service/project applying for funding support; and the market the applicant enterprises seek to develop, with a breakdown of both figures and percentages;
- (2) the number of applications rejected with a breakdown by reason, and the success rate of application in the past 3 years;
- (3) the average number of working days required from submission of an application to approval of the application in the past 3 years;
- (4) the average number of working days required from submission of an application through ESP Easy to approval of the application since the introduction of ESP Easy; and
- (5) how does the Government assess the operational effectiveness of the BUD Fund.

Asked by: Hon MOK Charles Peter (LegCo internal reference no.: 100)

Reply:

The Government injected \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in 2018-19, and implemented enhancement measures in August 2018, including extending the geographical scope of the Enterprise Support Programme (ESP) to cover the Association of Southeast Asian Nations (ASEAN) markets, providing a cumulative funding ceiling of \$1 million for each enterprise for undertaking projects in ASEAN markets; and increasing the cumulative funding ceiling for each

enterprise for undertaking projects in the Mainland from \$500,000 to \$1 million. Since the implementation of the enhancement measures and up to the end of February 2019, a total of 183 applications were received for the ASEAN Programme, while a total of 585 applications were received under the enhanced Mainland Programme, representing an increase of 106% as compared to the corresponding period in 2017-2018.

The statistics on the ESP of the BUD Fund in the past 3 years are as follows:

	2016	2017	2018
Number of applications received ^{Note 1}	625	578	1082
Number of applications approved	390	343	497
Number of applications rejected	117	84	101
Amount of grants approved (\$ million)	103.7	123.1	224.9
Average amount of grants (\$ million)	0.266	0.359	0.453 (Before the implementation of enhancement measures: 0.378; after the implementation of enhancement measures: 0.556)
Success rate ^{Note 2}	76.9%	80.3%	83.1%
Major beneficiary sectors (listed according to the number of applications approved)	1. wholesale and retail 2. import and export trade 3. textile and clothing/electronics	1. wholesale and retail 2. import and export trade 3. textile and clothing	1. wholesale and retail 2. import and export trade 3. textile and clothing

Note 1: Applications received in a year may not be processed in the same year. The figure also included those applications withdrawn thereafter.

Note 2: Success rate is the percentage of applications approved over the sum of applications approved and rejected in the same year.

Under the Mainland Programme of the BUD Fund, applicant enterprises mainly aimed at developing business in the whole Mainland market or major Mainland provinces and cities such as Shanghai, Shenzhen, Beijing, Guangdong province, Zhejiang province, Sichuan province and Jiangsu province, etc. through the approved projects. In respect of the approved applications under the ASEAN Programme in 2018, their major target markets were Singapore, Malaysia and Thailand.

The main reasons for rejection of applications included: the applicant could not justify how the proposed activities assist in its business development in the Mainland/ASEAN; the applicant enterprises could not demonstrate clearly their capability in implementing the projects or did not meet the eligibility requirements; and the implementation of the projects lacked concrete details, etc. The Secretariat would inform the applicant enterprises concerned of the reasons for rejection, and remind them of the areas which require attention or improvement if they apply again.

To ensure service performance, since 2017, we have included target on the time required for processing ESP applications in the Controlling Officers' Report. Since the setting of performance targets, all ESP applications could be passed to the Project Management Committee for consideration within 60 working days after the application deadline at the end of each quarter.

Up to the end of February 2019, 696 Mainland Programme projects have been completed. According to the survey results, about 99% of the enterprises that have completed their funded projects considered the programme effective in assisting their business development. Enterprises also generally considered that the projects had helped enhance the awareness of their brand, improve product quality, develop new products, establish sales network, enhance the overall competitiveness of enterprises and increase sales turnover. Although whether the Mainland business of the enterprises could develop successfully in the future would depend on a variety of factors, the funding under the BUD Fund can enhance the overall competitiveness of the enterprises and lay foundation for their further development in the Mainland market. In addition, if the funded Hong Kong enterprises achieve better development in the Mainland market, it would also benefit their business operations in Hong Kong in the long run, and generate demand for professional services or other services in Hong Kong.

For the ASEAN Programme, some approved projects have commenced, such as establishing offices in the ASEAN and participating in local exhibitions, etc. Funded enterprises indicated that the ASEAN Programme had enabled them to allocate more resources to develop the ASEAN markets and enhance their competitive advantages for promoting their ASEAN business.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)127

(Question Serial No. 0236)

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

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

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

One of the matters requiring the special attention of the Hong Kong Tourism Board in 2019-20 is to reinforce Hong Kong's position as a leading cruise hub in the region. This, however, has not been mentioned in the Budget. Regarding the development of the cruise terminal, will the Government inform this Committee of the following:

- 1) Will additional financial resources be allocated to the terminal building, berths and ancillary facilities of the cruise terminal? What is the estimated expenditure involved? Please provide a breakdown of specific expenditure items and the manpower involved;
- 2) What were the total numbers of cruise vessels berthed at the cruise terminal in the past 5 years? What were their percentages in relation to the total utilisation, and whether the original target had been met;
- 3) Since the commissioning of the cruise terminal in 2013, its popularity has always been questioned. The Director of Audit's report also pointed out that more than half of the commercial area of the cruise terminal was not let out. What specific targeted measures does the Government have in place to lower the vacancy rate of shops?
- 4) What are the staff establishment and estimated expenditure involved in promoting fly-cruise tourism and rail-cruise tourism, as well as in expanding the Asia Cruise Cooperation network in the coming year?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 21)

Reply:

The Kai Tak Cruise Terminal (KTCT) has been commissioned for only a few years since 2013 and there is no need for additional resources for carrying out large-scale works on the terminal building, its berths and ancillary facilities at the moment. However, we have also been improving the facilities of the terminal building in response to the feedback from the cruise trade and other users. Specific examples include the expansion of VIP room to enhance tourists' experiences and the addition of doors to facilitate visitors to access every facility of the terminal building. The cost of the works concerned is included as part of the annual expenses for regular maintenance and repair of the building, and no additional expenses or manpower is required.

The number of ship calls at KTCT in the past 5 years is tabulated as follows-

Year	Number of ship calls
2014	28
2015	56
2016	95
2017	186
2018	170

The commissioning of the KTCT has also driven the growth of cruise tourism figures (including the number of ship calls and cruise passenger throughput) of Hong Kong as a whole. Between 2013 and 2018, the total number of ship calls per year in Hong Kong as a whole has increased from 89 to 210 (an increase of 136%); and the total passenger throughput per year has increased from around 200 000 to over 870 000 (an increase of 335%). Back in the earlier years when the Government was considering the construction of the KTCT, the Government projected that the number of ship calls and cruise passenger throughput in Hong Kong as a whole would range from 181 to 258 and from 564 102 to 1 041 031 respectively by 2023. In other words, the number of ship calls and cruise passenger throughput in Hong Kong as a whole in 2018 have both achieved the then projected performance by 2023.

The usage situation of the ancillary commercial areas of the KTCT in the past 3 years is tabulated as follows –

Year (As at March)	Occupied floor area as a percentage of the ancillary commercial areas	Number of merchants occupying the commercial areas
2017	93%	6
2018	100%	7
2019	100%	7

Note: One merchant has ceased operation due to its own operational issues

Although the ancillary commercial areas have been fully occupied, in order to utilise the space within the KTCT in a more flexible manner with a view to increasing the attractiveness of the ancillary areas of the KTCT, we have been encouraging the sub-tenants to make good use of the communal areas of the KTCT, e.g. by allowing the use of the outdoor communal area as a side venue for wedding banquets held in a restaurant in the adjacent commercial area. On the other hand, the terminal operator has also arranged the setting up of small-scale pop-up stores at the passenger waiting halls during the days with ship calls for selling souvenirs and drinks, with a view to putting the space of the KTCT to better use while at the same time bringing convenience to the visitors.

The Hong Kong Tourism Board (HKTB) will strive to stimulate demand in the coming year through providing continued marketing support for cruise lines and developing new “Express Rail Link and cruise” and “fly-cruise” itineraries. To encourage travelers to embark on cruise journeys in Hong Kong and tour the city before or afterwards, competitive fly-cruise products will be developed with airlines, cruise lines, hotels, attractions and other local trade partners for launching in various markets. Moreover, capitalising on the opening of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge, the HKTB will also introduce and promote tourism products bundling the Express Rail Link and cruise travel to consumers in the central, western and southern parts of China.

In 2019-20, the HKTB will continue to promote Asia Cruise Cooperation (ACC), through introducing member ports’ latest development to the management of major cruise lines in international cruise events such as Seatrade Cruise Global, and encouraging them to include Hong Kong and other member ports into their itineraries with subsidies provided by respective member ports. The ACC will also launch joint promotions in key source markets, such as the newly released regional TV programme “Cruise the World”, so as to attract consumers to choose cruise products featuring member ports.

The work of promoting “Express Rail Link and cruise” and “fly-cruise”, as well as expanding the ACC network is absorbed by existing establishment and expenditure, and is difficult to be separately quantified. The total budget for the HKTB’s head and worldwide offices on cruise tourism in 2019-20 is around HK\$34 million, which includes HKTB’s proposed marketing budget and relevant additional funding.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)128

(Question Serial No. 0237)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2019-20, the Commerce, Industry and Tourism Branch will have discussions with major trading partners like the Mainland, Taiwan, and ASEAN on enhancing economic co-operation, and strengthen efforts to promote the business advantages of Hong Kong as well as to attract more multinational companies to set up operations and regional headquarters in Hong Kong. Will the Government please advise this Committee of the total expenditure involved in the relevant work in the past 5 years and the overall effectiveness. How much provision will be made for the above work in the coming year? Which regions, does the Government have in mind, are of greater development potential and will be targeted for strengthening promotion and publicity efforts? Please set out the figures and work progress in respect of each region in table form.

Asked by: Hon NG Wing-ka, Jimmy (Member Question No. (LegCo use): 7)

Reply:

In 2014-15 to 2017-18, the total actual expenditure of Invest Hong Kong (“InvestHK”) on investment promotion work in the Mainland, Taiwan and the Association of Southeast Asian Nations (“ASEAN”) was \$31.4 million, and the estimated actual expenditure in 2018-19 is \$8.5 million. The figures do not include staff cost or general marketing and promotion expenses which cannot be separately quantified.

The number of projects completed is a key performance indicator for InvestHK to assess the effectiveness of its investment promotion work. In the past five years (2014-2018), InvestHK’s efforts generated a total of 422, 66 and 93 completed projects from the Mainland, Taiwan and ASEAN respectively, accounting for about 30% of the Department’s total. The breakdown is as follows –

Year	Number of projects completed ^{Note}					
	2014	2015	2016	2017	2018	Total
Mainland	75	78	82	86	101	422
Taiwan	8	11	18	13	16	66
ASEAN	15	14	19	23	22	93

Note: "Projects completed" cover those overseas, Mainland or Taiwan companies which set up or undergone significant expansion in Hong Kong with the assistance of InvestHK.

The Mainland, a key engine of global economic growth, is a key market of InvestHK to attract investment. InvestHK will step up its promotion efforts in attracting more Mainland companies to invest in Hong Kong as well as promoting Hong Kong's role as an ideal platform for Mainland companies to "go global". These investment promotion efforts include organising investment promotion seminars in various Mainland cities, and strengthening InvestHK's digital marketing and social media strategy for the Mainland market.

InvestHK also plans to conduct a series of investment promotion events in target markets including Southeast Asia, India and the Middle East to underline Hong Kong's business advantages and to attract more companies to set up businesses in Hong Kong. InvestHK will also maintain liaison with consulates and chambers of commerce to connect with those overseas companies that have set up in Hong Kong to facilitate their business expansion. With the establishment of its Investment Promotion Unit in Jakarta in 2018 and the one in Bangkok to be set up in the latter half of 2019, InvestHK will further strengthen its investment promotion effort in the ASEAN market.

The estimated expenditure of InvestHK on investment promotion work in 2019-20 is about \$47 million. The figure does not include staff cost and administrative overhead expenses which cannot be separately quantified.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)129

(Question Serial No. 0238)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since the response towards the Food Truck Pilot Scheme is less than satisfactory, one or more food truck operators have quitted the Scheme owing to operation difficulties or other reasons. Will the Government set aside and allocate more resources in 2019-20 for further promotion or refinement of the Scheme? If yes, what are the details and estimated expenditures? If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 12)

Reply:

The Government has earlier announced the extension of the Food Truck Pilot Scheme (the Scheme) for two years from 3 February 2019. The existing 15 food trucks continue to participate in the Scheme and the agreements for the extension period between the operators and the operating venues are being renewed successively.

Taking account of the operating performance of food trucks and operators' opinions, the Tourism Commission (TC) has rolled out various refinement measures since May 2017, which include:

- introducing four new operating venues (i.e. AsiaWorld-Expo, Science Park, Hong Kong University of Science and Technology and Hong Kong Science Museum);
- offering a more flexible rotation arrangement where food trucks could operate at Energizing Kowloon East Venue 1 in daytime and shift to operate in Tsim Sha Tsui Art Square in nighttime;
- allowing operators to choose whether to operate at the designated venue under the rotation schedule and pay service fees only on the operation days, thereby providing greater room and flexibility for their operation;

- allowing operators to apply to operate at new venues they identified by themselves as long as the venue management allows the food trucks to operate at the venues with appropriate ancillary facilities, and if the parking location will not cause obstruction to pedestrians and vehicles; and
- allowing food trucks to apply to participate in self-identified events as long as these events are open to the public with publicity plans available and licences obtained (e.g. Temporary Place of Public Entertainment licence granted by the Food and Environmental Hygiene Department). As at 25 February 2019, food truck operators applied to operate at 70 self-identified open-to-public events. All these events were approved by TC.

In fact, TC has been relaxing the Scheme to reduce restrictions and enhance operation flexibility for improving the operators' business environment. During the extension period of the Scheme, TC will continue to look for other new operating venues where practicable, including outside of the Passenger Clearance Building of Hong Kong-Zhuhai-Macao Bridge Hong Kong Port, and to encourage relevant government departments to consider engaging food trucks in events organised or sponsored by them. In 2019-20, the Government has earmarked \$5.736 million for running the Scheme. The manpower and expenditure on the promotion cum publicity have been subsumed within the establishment and provision of the Food Truck Office, and it is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)130

(Question Serial No. 0239)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With the volatile economic environment in the coming year, business operating costs in Hong Kong are expected to increase continuously. Yet, the Government only put forward in the Budget the extension of the special concessionary measures under the SME Financing Guarantee Scheme for 2019-20 to help small and medium enterprises (SMEs) cope with liquidity problems. In this regard, will the Bureau allocate additional financial resources for reviewing the existing financial assistance and loan schemes for SMEs in order to provide SMEs with further appropriate support? If yes, how much expenditure will be earmarked for this purpose? If not, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 6)

Reply:

The Government attaches great importance to the development of SMEs. We review the various support measures from time to time in response to the economic situation in order to provide adequate and timely support to SMEs.

The existing measures and new initiatives overseen by the Commerce, Industry and Tourism Branch to support SMEs in 2018-19 and 2019-20 and their relevant expenditure are as follows:

- The HKMC Insurance Limited (HKMCI) operates the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) to provide 80% loan guarantees at concessionary fee rates. The Government provides a total loan guarantee commitment of \$100 billion. The special concessionary measures are time-limited special measures. The original application period was 9 months, which

was later extended numerous times to the end of June 2019. To further relieve the financing burden of local enterprises and to assist enterprises in obtaining financing from lending institutions, the Government introduced three enhancement measures in November 2018, including reducing the guarantee fee by 50%; increasing the maximum loan amount from \$12 million to \$15 million; and lengthening the maximum loan guarantee period from 5 years to 7 years. As at the end of February 2019, the HKMCI has received over 16 700 applications and approved over 14 900 of them, involving a total loan amount of about \$60.5 billion and a total guarantee amount of about \$48.4 billion, and benefiting more than 8 500 local enterprises (including more than 7 800 SMEs) with more than 219 000 employees. The major beneficiary sectors are the trading, wholesale and retail, and textile and clothing sectors.

Since the launch of the enhancement measures, the number of applications received between December 2018 to February 2019 and the amount of loans involved have increased by 43% and 77% year-on-year respectively, reflecting the effectiveness of the new measures in assisting enterprises in obtaining financing.

To support local enterprises in tiding over uncertainties in the present environment, and to continue to assist enterprises in obtaining loans in the commercial lending market, the Government has further extended the application period of the special concessionary measures under the SFGS and the validity of the three enhancement measures launched last year to the end of June 2020, as announced in the 2019-20 Budget.

- The Trade and Industry Department (TID) assists Hong Kong enterprises in obtaining finance, exploring export markets and enhancing their overall competitiveness through various funding schemes, including the SME Loan Guarantee Scheme (SGS), the SME Export Marketing Fund (EMF), the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and the Trade and Industrial Organisation Support Fund (TSF) (a merger between the SME Development Fund (SDF) and Organisation Support Programme (OSP) under the BUD Fund in October 2018). The implementation progress of the various funding schemes in 2018 was as follows:

	Number of applications approved	Number of beneficiaries	Amount of guarantees/grants approved by the Government (\$ million)	The major beneficiary sectors (listed according to the number of applications approved)
SGS	719	693	909.0	1.Import and Export Trade 2.Wholesale and Retail 3. Engineering

	Number of applications approved	Number of beneficiaries	Amount of guarantees/grants approved by the Government (\$ million)	The major beneficiary sectors (listed according to the number of applications approved)
EMF	9 025	5 570	167.1	1. Import and Export Trade 2. Wholesale and Retail 3. Electronics
BUD Fund (Enterprise Support Programme (ESP))	497	486 (amongst which, 477 are SMEs)	224.9	1. Wholesale and Retail 2. Import and Export Trade 3. Textile and Clothing
The former SDF <small>Note 1</small>	15	Not applicable <small>Note 2</small>	34.2	1. Cross-sector 2. Wholesale and Retail 3. Industrial machinery
The former BUD Fund (OSP) <small>Note 1</small>	14	Not applicable <small>Note 2</small>	39.3	1. Creative industries 2. Textile and Clothing 3. Cross-sector

Note 1: The SDF and the BUD Fund (OSP) were merged to form the Trade and Industrial Organisation Support Fund (TSF) in October 2018.

Note 2: The SDF and the BUD Fund (OSP) did not provide direct funding support to SMEs but to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.). The number of beneficiaries depends on the industries involved and details of individual projects, and is difficult to estimate accurately.

The Government injected \$1 billion into the Export Marketing and Trade and Industrial Organisation Support Fund in 2018-19, and implemented enhancement measures to the EMF in August 2018, including increasing the maximum grant for each application and revising upward the cumulative funding ceiling for each enterprise to \$100,000 and \$400,000 respectively to strengthen the support for SMEs to explore new markets and new business opportunities. Since the implementation of the enhancement measures, the number of applications of the fund up to the end of February 2019 (8 118) was 40% more than that of the corresponding period in 2017-2018.

At the same time, the Government also injected \$1.5 billion into the BUD Fund, and implemented enhancement measures in August 2018, including extending the geographical scope of the ESP to include the Association of Southeast Asian Nations (ASEAN) markets, providing a cumulative funding ceiling of \$1 million for each enterprise for undertaking projects in ASEAN markets; and increasing the cumulative

funding ceiling for each enterprise for undertaking projects in the Mainland from \$500,000 to \$1 million. Since the implementation of the enhancement measures and up to the end of February 2019, a total of 183 applications were received under the ASEAN Programme, while a total of 585 applications were received under the enhanced Mainland Programme, representing an increase of 106% as compared to the corresponding period in 2017-2018.

In 2019-20, TID will continue to assist enterprises in obtaining finance, exploring export markets and enhancing their overall competitiveness through the various funding schemes. With regard to the EMF, TSF (including the approved expenditure under the former SDF) and the BUD Fund (including the approved expenditure under OSP), the estimated expenditure in 2019-20 is \$434 million. The Government provides loan guarantee to SMEs under the SGS to help them secure loans from the participating lending institutions. The guarantee approved by the Government is not a grant, and is thus not an expenditure. We estimate that the amount of guarantee to be approved by the Scheme in 2019-20 will be about \$900 million.

The 2019-20 Budget proposes to inject another \$1 billion into the BUD Fund to further extend the geographical scope of the BUD Fund to include all economies which have signed Free Trade Agreements (FTAs) with Hong Kong, thereby enabling enterprises to take advantage of the FTAs to explore new markets and new business opportunities; and to further increase the cumulative funding ceiling for each enterprise under the BUD Fund to \$3 million, including \$1 million for the Mainland market and \$2 million for other FTA markets. We will consult the Legislative Council Panel on Commerce and Industry on the proposals and seek funding approval of the Finance Committee.

- On the intellectual property (IP) front, the Intellectual Property Department (IPD) will continue to run the “IP Manager Scheme” and the free “IP Consultation Service” in 2019-20 to help SMEs build up their manpower capacity in IP management and commercialisation. Since the launch of the IP Manager Scheme in May 2015, IPD organised 8 rounds of IP Manager Training Programme and 13 practical workshops under the Scheme, over 1 500 and 400 participants coming from over 1 200 SMEs attending the events respectively. Since the launch of the free “IP Consultation Service” in 2014, IPD has completed over 330 consultations by February 2019.

Since October 2015, IPD has been sponsoring professional bodies in conducting various training courses on IP related subjects to assist SMEs in managing IP assets and conducting IP commercialisation. Topics covered include patent search, trade mark search, practical skills in handling patent matters, preparation for the National Qualification Examination for Patent Agents, and IP valuation. Over 550 persons have participated in various trainings so far.

- In the past few years, the Hong Kong Trade Development Council (TDC) strived to help Hong Kong companies tap e-commerce and e-tailing opportunities, and capitalise on opportunities arising from new retail and consumption trends. In 2019-20, TDC will strive to help Hong Kong companies identify new export and sourcing markets, new industries with growth potential, as well as new ways of market expansion.

To help Hong Kong companies identify new markets and industries with potential, TDC will strengthen exchanges with exhibitions around the world to increase exposure of Hong Kong companies in different markets, in particular countries along the Belt and Road and the Guangdong-Hong Kong-Macao Greater Bay Area. TDC will continue to promote Hong Kong brands and services by organising companies to participate in the China International Import Expo. TDC will also organise investment missions for specific Hong Kong manufacturers to the ASEAN according to the strengths of individual countries.

Furthermore, TDC will set up a pavilion with various e-tailing service providers at the SmartBiz Expo to help SMEs in Hong Kong seize opportunities in digital business. In order to help Hong Kong companies discover new ways of market expansion, TDC will also introduce new themes on the development trend of e-tailing and m-commerce in its International Trade Fast Pass seminar series.

The expenditure of the above work has been subsumed under the overall estimated expenditure of TDC, and cannot be quantified separately.

- The Retail Technology Adoption Assistance Scheme for Manpower Demand Management was launched in December 2014 to support the retail industry (in particular SMEs) to adopt technologies for enhancing their productivity. As at the end of February 2019, 369 applications were approved (including more than 90% from SMEs) and the funding approved for these projects amounted to around \$13.6 million in total.
- The Hong Kong Export Credit Insurance Corporation (ECIC) has launched a "Small Business Policy" (SBP) scheme for Hong Kong enterprises with an annual business turnover of less than \$50 million, providing exporters with more flexibility in taking out insurance cover, and providing premium discount to assist SMEs in reducing operating cost. ECIC has also introduced in phases short term special enhanced measures in June and September 2018 to strengthen protection for Hong Kong exporters affected by the US tariff measures.

In addition, ECIC has launched a new one-stop online credit insurance platform EC-Reach in September 2018. The EC-Reach also has an Online Micro-Business Policy (OMBP) for start-up enterprises and small- and micro-business exporters, to provide SMEs with a simple and fast experience in credit risk management and purchase of export credit insurance.

ECIC is a self-financing organisation. The Government does not have expenditure estimate for ECIC's expenditure for providing export credit insurance to Hong Kong exporters.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)131

(Question Serial No. 0279)

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

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

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

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2019-20, it is stated that the Hong Kong Trade Development Council (TDC) will deepen penetration into ASEAN markets by leveraging the Belt and Road Initiative, target regional markets along the Belt and Road and help Hong Kong companies penetrate the service and consumer markets. As such, what is the total expenditure on this area of work over the past 5 years? What is the overall effectiveness? What is the amount of provisions to be made for the above work in the coming 5 years? Please also tabulate the expenditure involved in enhancing publicity and promotional activities next year by region along the Belt and Road.

Meanwhile, how much manpower will be deployed by TDC in implementing the above publicity and promotional activities in the coming 5 years?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 13)

Reply:

In the past five years, the Hong Kong Trade Development Council (TDC) organised a variety of events to help Hong Kong companies tap opportunities under the Belt and Road Initiative. Among them, to establish Hong Kong as the information hub of the Belt and Road Initiative, TDC launched the *Belt and Road Portal* in December 2015. Furthermore, since 2016, the Government and TDC organised the *Belt and Road Summit* every year. The third Summit held last year attracted about 5 000 government officials and business leaders from 55 countries and regions, with over 230 investment projects featured and over 520 one-to-one business matching meetings arranged. To help consolidate Hong Kong's market status and its role as the commercial hub of the Belt and Road Initiative, TDC set up the Belt and Road Committee in 2017. Through its six working groups targeted at different markets and business sectors, the Committee implemented a comprehensive

programme for facilitating the participation of various sectors in Belt and Road development so that they could share the potential benefits brought about by the Initiative. In June 2018, TDC set up the *Belt and Road International Forum* with a membership of over 120 organisations in 29 countries and regions to strengthen exchanges. Furthermore, TDC organised various missions and large-scale campaigns in major business centres to tap opportunities along the Belt and Road.

In 2019-20, TDC will continue to promote the Belt and Road Initiative through organising various events, including co-organising the fourth *Belt and Road Summit* with the Government, which will be a two-day anchor event of the *Belt and Road Week*; continuing expansion of the *Belt and Road Global Forum*; enriching the content of the *Belt and Road Portal*; and staging large-scale promotional events in countries along the Belt and Road to facilitate Hong Kong companies seize new opportunities, such as *Building for the Future* campaign in Indonesia which will showcase Hong Kong's strengths and expertise in infrastructure development. Furthermore, TDC will organise missions for specific sectors to the Association of Southeast Asian Nations according to the strengths of individual countries, so that Hong Kong companies can obtain a first-hand understanding of the investment environment and business opportunities.

The expenditure of the above work, which is carried out by TDC's existing staff, has been subsumed under the overall estimated expenditure of TDC, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)132

(Question Serial No. 0283)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government promulgated the “Development Blueprint for Hong Kong’s Tourism Industry” last year to facilitate the development of the local tourism industry. As mentioned in both the Policy Address and the Budget this year, the supporting facilities of key hiking trails and piers will be enhanced with a view to strengthening the development of Hong Kong’s green and eco-tourism. What are the names and locations of the hiking trails and piers to be involved in such enhancement works? What are the estimated provisions for such works in the coming 5 years?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 19)

Reply:

In order to promote green tourism, the Government has earmarked an annual funding of \$15 million from 2018-19 to 2022-23 to enhance the tourism supporting facilities of some popular hiking trails as well as those with tourism appeal potential within country parks, including Dragon’s Back (Shek O Country Park), Peak Trail (Pokfulam Country Park), Wu Kau Tang to Lai Chi Wo (Pat Sin Leng Country Park), Shing Mun Reservoir Walk (Shing Mun Country Park), MacLehose Trail Section 1 (Sai Kung East Country Park) and Lantau Trail Section 2 (Lantau South Country Park), etc. Furthermore, the Government will enhance the relevant thematic website and mobile application to provide detailed information on hiking to enrich visitors’ experience.

Moreover, the Government has earmarked \$9 million from 2019-20 to 2022-23 for enhancing the facilities of the Ngong Ping Nature Centre by providing interactive display panels and more comprehensive information on the nearby hiking trails. We will also enhance the guided tour service for in-depth visit of the distinctive hiking routes in order to enrich visitors’ experience in visiting the green attractions in the vicinity. The above will

complement the improvement scheme of the hiking trails near the Ngong Ping Nature Centre. Such improvement works include improving a section of the Nei Lak Shan Country Trail and Lantau Trail; enhancing information boards; expanding an existing viewing platform and constructing three additional viewing platforms for visitors to look at the Tian Tan Big Buddha, Hong Kong-Zhuhai-Macao Bridge, Hong Kong International Airport and nearby scenery. We are formulating the design of the viewing platforms. The estimated cost of the works will be available upon completion of the detailed design. It is anticipated that the relevant works will commence in end 2019.

In addition, the Government is currently taking forward the “Pier Improvement Programme (“PIP”)” aiming at upgrading the structural and facility standards of a number of existing public piers at remote rural area in phases. The first implementation phase of the PIP involves the following 10 public piers in the New Territories or on the outlying islands:

Proposed Pier Improvement Item	District
Lai Chi Wo Pier	North
Sham Chung Pier	Tai Po
Lai Chi Chong Pier	Tai Po
Tung Ping Chau Public Pier	Tai Po
Leung Shuen Wan Pier	Sai Kung
Kau Sai Village Pier	Sai Kung
Pak Kok Pier	Islands
Yung Shue Wan Public Pier	Islands
Yi O Pier	Islands
Ma Wan Shek Tsai Wan Pier	Tsuen Wan

The Civil Engineering and Development Department is conducting technical feasibility studies on the proposed pier improvement items under the first implementation phase of the PIP. The construction cost would be estimated upon formulation of preliminary design proposal under the studies.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)133

(Question Serial No. 0284)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government has been making efforts in district tourism promotion in recent years to drive visitors to explore Hong Kong's local living culture and districts' characteristics. Following the launch of the "Old Town Central" campaign, the Hong Kong Tourism Board (HKTB) again rolls out the "Hong Kong Neighbourhoods – Sham Shui Po" campaign this year with a budget of about \$12 million to highlight the attractions of Sham Shui Po for visitors. Has the HKTB identified other suitable districts at this stage for an extension of this type of tourism project to other districts rich in local characteristics? If yes, what are the relevant timetable and estimated expenditure?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 18)

Reply:

The Hong Kong Tourism Board (HKTB) has rolled out "Hong Kong Neighbourhoods" campaign since 2017. The campaign so far recommended "Old Town Central" and "Sham Shui Po" districts to promote the city's neighbourhoods apart from conventional tourist spots in order to extend visitors' length of stay and footprint in Hong Kong. The campaign has been well received by visitors and travel trade; and local residents and shop operators acknowledged that the campaign has brought impetus to the local economy.

For the additional funding proposed to allocate to HKTB by the Government in 2019-20, about \$16 million will be allocated for the promotion of local district appeals, which includes sustaining the promotion of "Old Town Central" and "Sham Shui Po" districts as well as other districts rich in local characteristics under the framework of the "Hong Kong Neighbourhoods". HKTB is currently conducting research on the next round of "Hong Kong Neighbourhoods" campaign. A decision has yet to be made on the district to be promoted and the relevant timetable.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)134

(Question Serial No. 0285)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated expenditure for Programme (6) Travel and Tourism in 2019-20 represents an increase of 111.5% over the revised estimate for this year, mainly due to the allocation of funding for establishing the Travel Industry Authority and the new provision for taking forward new initiatives under the Development Blueprint. What is the breakdown of the expenditure involved? Meanwhile, 6 posts will be created in the manpower establishment for 2019–20. Will the Government inform this Committee of the areas of work for these posts and the expenditure on the emoluments?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 16)

Reply:

The estimate under Programme (6) for 2019-20 is \$387.9 million (111.5%) higher than the revised estimate for 2018-19, which is due to:

- the funding of \$350 million to establish the Travel Industry Authority;
- the additional provision of \$26.8 million to continue to implement the “Development Blueprint for Hong Kong’s Tourism Industry” (the Development Blueprint), mainly for taking forward six new initiatives to promote tourism development, details of which are shown in the following table:

Tourism initiatives to be implemented	Additional funding amount in 2019-20 (\$ million)
<p><u>Strategy 1:</u> To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</p> <ul style="list-style-type: none"> Allocating additional funding to the Travel Industry Council of Hong Kong (TIC) for strengthening its web-based tourism resource platform about the Belt-and-Road (B&R) related countries and regions and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) cities 	2
<p><u>Strategy 2:</u> To nurture and develop tourism products and initiatives with local and international characteristics</p> <ul style="list-style-type: none"> Commissioning a consultancy study to review the exhibition and visitor facilities of Hong Kong Wetland Park Enhancing the facilities and services of Ngong Ping Nature Centre to complement the improvement scheme for the hiking trails in the vicinity 	9.2
<p><u>Strategy 3:</u> To develop smart tourism</p> <ul style="list-style-type: none"> Commissioning a consultancy study on promotion of smart tourism Extending the official smart landing page, “Visit Hong Kong”, to other boundary control points 	4.5
<p><u>Strategy 4:</u> To upgrade the service quality of tourism industry</p> <ul style="list-style-type: none"> Allocating additional funding to TIC for promoting business co-operation through trade forums or exchange visits in B&R related countries and regions and Greater Bay Area cities, as well as enhancing the service quality of the travel trade through training initiatives 	4
<i>Sub-total</i>	<i>19.7</i>
Other initiatives under implementation	
Supporting the appeal panel under the new regulatory regime of the travel industry, the extension of food truck pilot scheme for two years, and providing additional manpower to implement other on-going initiatives under the Development Blueprint	7.1
<i>Total</i>	<i>26.8</i>

- the remaining increase of \$11.1 million in estimate to cater for the creation of new posts, the impact of pay rise and other operating expenses.

Separately, details of the six new posts to be created under Programme (6) in 2019-20 are as follows:

Rank	Number of post	2019-20 salary provision (\$)	Job nature and area of work
Chief Executive Officer (starting from 1 Jan 2020)	1	361,485*	To support the appeal panel under the new regulatory regime of the travel industry.
Senior Executive Officer (starting from 1 Jan 2020)	1	268,380*	
Executive Officer I (starting from 1 Jan 2020)	1	191,790*	
Senior Executive Officer (starting from 1 Apr 2019)	1	1,073,520	To implement the Development Blueprint.
Executive Officer I (starting from 1 Apr 2019)	1	767,160	
Executive Officer I (starting from 1 Apr 2019)	1	767,160	To replace an existing non-civil service contract position for providing support in promulgating the on-going Meetings, Incentive Travels, Conventions and Exhibitions promotion initiatives.
Total number of posts to be created:	6		

*Remarks: Provision for 3 months

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)135

(Question Serial No. 0286)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Attention in 2019-20, the Commerce, Industry and Tourism Branch will carry out preparatory work for setting up 5 new Economic and Trade Offices (ETOs) in Bangkok (Thailand), Dubai (United Arab Emirates), Moscow (Russia), Mumbai (India) and Seoul (Korea) respectively. Will the Bureau advise the staff establishment and estimated expenditure involved in the relevant preparatory work? When are the above ETOs expected to come into operation?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 11)

Reply:

The Economic and Trade Office (ETO) in Bangkok commenced operation on 28 February 2019. We will continue to carry out the discussion and preparatory work for setting up the new ETOs in Dubai (United Arab Emirates (UAE)), Moscow (Russia), Mumbai (India) and Seoul (Korea) respectively.

Starting from 2019-20, the preparatory work for setting up the new ETOs is mainly taken up by the newly set up ETO Policy Division (the Division) under the Commerce, Industry and Tourism Branch. The Division is headed by an Administrative Officer Staff Grade C (D2) officer, supported by a Senior Executive Officer and a Personal Secretary I. The Division's work includes discussing with the respective host governments (such as their Consuls General in Hong Kong) on the detailed arrangements of setting up the ETOs, seeking approval from the Legislative Council for the creation of the relevant posts and the required funding, etc. Apart from the preparatory work for setting up the new ETOs, the Division also formulates strategies and plans on expanding the ETO network and enhancing ETOs' functions, coordinates ETOs' inputs to requests from various bureaux/departments on matters under their respective policy responsibilities, etc. The annual recurrent cost (including personal emoluments and other operating expenses) of the Division is around \$4,713,000.

The ETOs in Berlin, London, Singapore and Tokyo also use their existing resources to provide support for setting up the new ETOs in Dubai, Moscow, Mumbai and Seoul respectively when needed. Their work includes discussing with the relevant government departments in the respective host countries, identifying office premises, etc.

The timetable of opening the new ETOs hinges on the discussion progress with the host governments concerned. Our discussion with the UAE Government on setting up the Dubai ETO is in good progress and has come to a final stage. It is expected that the Dubai ETO will be the second new ETO to be established after the Bangkok ETO by the current-term Government. As regards our plan to set up the new ETOs in Moscow, Mumbai and Seoul respectively, we will continue to discuss with the relevant governments on the detailed arrangements.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)136

(Question Serial No. 0287)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Programme (2) regarding commerce and industry, the estimated expenditure for 2019-20 is 105.4% higher than the revised estimate for this year. This is mainly due to the increase in cash flow requirement for the SME Financing Guarantee Scheme – Special Concessionary Measures and the Professional Services Advancement Support Scheme, the increased provision to the Belt and Road Office and the Single Window Project Management Office, the increased estimate for the subscription to the World Trade Organization (WTO), as well as increase in salary and departmental expenses. What are the breakdowns of the above expenditure items? In addition, regarding the establishment, 23 posts will be created in 2019-20. Will the Government inform this Committee of the major responsibilities and salary provision of the posts?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 9)

Reply:

The original estimate under Programme (2) for 2019-20 is \$316.4 million (+105.4%) higher than the revised estimate for 2018-19. The increase is mainly due to -

- Estimated increase of \$237 million in cash flow requirement for the Special Concessionary Measures under SME Financing Guarantee Scheme (SFGS). Under SFGS, the Government is required to pay sufficient amount of funds to the HKMC Insurance Limited in meeting the requirements of payments for default compensations and necessary out-of-pocket expenses, but the actual cash flow requirement under the SFGS fluctuates every year.

- Estimated increase of \$22.7 million to the Single Window Project Management Office (SWPMO) to strengthen manpower support for pressing ahead the implementation of the Trade Single Window project. The sum comprises personal emoluments required for additional posts and other related operating expenses.
- Estimated provision of \$9.1 million to enhance the support on the work related to HKSAR's participation in the China International Import Expo (CIIE). The sum comprises personal emoluments required for additional posts and other related operating expenses.
- Estimated increase of \$8.3 million for personal emoluments and \$3.2 million for Civil Service Provident Fund and Mandatory Provident Fund, arising from filling vacant posts, staff changes and to cater for the impact of pay rise.
- Estimated increase of \$6.7 million for the Belt and Road Office to take forward the work on the Belt and Road Initiative more effectively and on a sustained basis.
- Estimated provision of \$4.7 million for the newly established Economic and Trade Office Policy Division, the sum comprises personal emoluments required for additional posts and other related operating expenses.
- Estimated increase of \$3.7 million for the subscription to the World Trade Organization.
- Estimated increase of \$2.5 million in cash flow requirement for the Professional Services Advancement Support Scheme. The actual cash flow requirement depends on the number of applications approved and the amount granted. With the launch of more funded projects and our ongoing promotion work, an increase in expenditure is anticipated in 2019-20.

A total of 23 posts are planned for creation in 2019–20, with details set out below –

- 18 time-limited posts for four years in SWPMO, including 9 Analyst/Programmer Grade posts, 3 Superintendent of Customs and Excise Grade and 6 Inspector of Customs and Excise Grade posts. These new posts seek to strengthen manpower support for SWPMO to press ahead the implementation of the Trade Single Window project.
- 5 posts, including 3 Trade Officer Grade posts, 1 Executive Officer Grade post and 1 Clerical Officer Grade post, to coordinate the work related to HKSAR's participation in the CIIE.

For the purpose of preparing the 2019-20 estimates of expenditure, a total provision of \$22.358 million has been reserved for the estimated personal emoluments of the above 23 posts.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)137

(Question Serial No. 0289)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 119 of the Budget Speech that the Government will allocate additional funding to the Travel Industry Council of Hong Kong to encourage the development of more thematic tourism products, organise business forums or business co-operation and exchange activities outside Hong Kong, and provide training subsidies for practitioners to enhance service quality of the trade. Also, the Hong Kong Tourism Board will develop and promote multi-destination tourism products to capitalise on opportunities arising from the Greater Bay Area development. Will the Government provide more details on the above plans? What are the forecast on staff establishment and expenditure involved for the coming 3 years?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 20)

Reply:

The Government suggests allocating funding in the 2019-20 Budget to support the Travel Industry Council of Hong Kong (TIC) in strengthening its web-based tourism resource platform about Belt and Road related countries and regions and Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) cities, with a view to encouraging the trade to develop more thematic tourism products; promoting business co-operation through trade forums or exchange visits in Belt and Road related countries and regions and Greater Bay Area cities; and enhancing the service quality of the travel trade through training programmes. The Government and the TIC will start preparations, including confirming the details of the initiatives. The relevant staffing and expenditure of the Tourism Commission to take forward the aforementioned work have been subsumed within the establishment and provision of the Commerce, Industry and Tourism Branch, and it is difficult to quantify them separately.

Besides, the Hong Kong Tourism Board (HKTB) has been actively promoting the development of multi-destination tourism. Such efforts include through strengthened collaboration with the tourism promotion organisations in Guangdong Province and Macao, jointly promoting the Guangdong-Hong Kong-Macao Greater Bay Area tourism brand, as well as multi-destination itineraries and tourism products featuring Hong Kong to overseas travellers. The HKTB will also collaborate with travel destinations nearby to conduct joint promotion in long-haul markets, encouraging travellers in these markets to visit the Greater Bay Area on a multi-destination basis. Since the aforementioned promotion initiatives will be jointly conducted by the HKTB's head office and worldwide offices, and will be subsumed into various promotion programmes of the HKTB, it is difficult to break down and quantify the staff establishment for individual items. The total budget for the HKTB to promote the development of multi-destination tourism in 2019-20 is around \$15.9 million, which includes the HKTB's proposed marketing budget and the additional funding from the Budget.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)138

(Question Serial No. 1669)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In view of the growing popularity of in-depth local tourism around the world, we must train a substantial number of members of the tourism industry (especially tourist guides and tour escorts) to gain a profound understanding of local history, culture, heritage and other related aspects if Hong Kong is to develop its own characteristic local tourism. Will the Bureau consider increasing the funds allocated to and estimated expenditure for the Travel Industry Council of Hong Kong to provide funding support for the training of members of the tourism industry in relevant areas, as well as offering more related courses through the Employees Retraining Board, so that industry members can more professionally introduce tourists to local cultural characteristics and thus help to enhance the overall service quality of our tourism industry? If yes, what are the details?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 17)

Reply:

Different public and private organisations, in liaison with the trade, have been rolling out various training initiatives in view of the travel industry's needs to enhance the professionalism of trade practitioners and raise the overall service quality of the industry.

The Government suggests in the 2019-20 Budget allocating additional funding of \$10 million from 2019-20 to 2020-21 for the Travel Industry Council of Hong Kong (TIC) to promote business co-operation of the trade and enhance the service quality of the industry, including taking forward training initiatives. The Government and the TIC will start preparations, including confirming the details of training initiatives.

Furthermore, the Employees Retraining Board (ERB) welcomes the trade to reflect their views and requirements so as to offer suitable courses. In 2019-20, the ERB will offer 13 tourism-related courses, such as “Certificate in Tourist Guide Training (Part-time)” and “Certificate in Eco-Tour (Country Parks) (Part-time)”.

To take forward the implementation of the Qualifications Framework for the travel industry, the Education Bureau established the Travel Industry Training Advisory Committee in January 2018. The Committee is drawing up the Specification of Competency Standards for the industry, which will set out the knowledge, skills and competency standards required of practitioners in various job functions of the industry to facilitate relevant organisations’ development of courses that suit the industry’s needs, as well as to serve as a useful reference for employers to develop in-house training and human resource management functions.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)139

(Question Serial No. 7215)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Does the Government have any measures to assist those Hong Kong enterprises which set up research and development (R&D) bases in Hong Kong and operate under the "import processing" mode to provide machinery and plant free of charge to enterprises outside Hong Kong for smart production?

Asked by: Hon NG Wing-ka, Jimmy (LegCo internal reference no.: 1)

Reply:

The Government launched the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in June 2012, aiming to assist enterprises in enhancing their competitiveness and furthering their business and brand development in the Mainland. The Government implemented enhancement measures to the BUD Fund in August 2018, including extending the geographical scope to cover the Association of Southeast Asian Nations (ASEAN) markets, providing a cumulative funding ceiling of \$1 million for each enterprise for undertaking projects in the ASEAN markets; and increasing the cumulative funding ceiling for each enterprise for undertaking projects in the Mainland from \$500,000 to \$1 million.

Under the BUD Fund, the project measures carried out by enterprises should be targeted at the business development of the enterprise in the Mainland or ASEAN markets, and allowable project measures may include procuring or leasing of machinery/equipment, producing moulds or samples of new products, etc. All non-listed enterprises registered in Hong Kong under the Business Registration Ordinance (Chapter 310) with substantive business operations in Hong Kong are eligible to apply for funding support of BUD Fund to carry out projects to develop brands, upgrade and restructure business operations and promote sales. For applications involving project implementation by a Mainland or ASEAN entity, the applicant must prove its direct investment relationship with the

concerned Mainland or ASEAN entity. Enterprises that are not registered in Hong Kong under the Business Registration Ordinance (Chapter 310) or do not have substantive business operations in Hong Kong are not eligible to apply for the funding support of BUD Fund.

In addition, the HKMC Insurance Limited and Trade and Industry Department implement the special concessionary measures under the SME Financing Guarantee Scheme and the SME Loan Guarantee Scheme respectively to assist enterprises in securing loans for acquiring equipment and for general working capital, etc. Applicant enterprises/SMEs must be registered in Hong Kong under the Business Registration Ordinance (Chapter 310) and have substantive business operations in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)140

(Question Serial No. 0276)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the promotion of “quality and honest tourism” and the “regulation of travel agents, tourist guides and tour escorts under the existing regulatory framework”, please inform this Committee of the following:

- 1) What is the estimated expenditure of the Travel Industry Council of Hong Kong for 2019-20? The influx of tour groups has caused overcrowding in Hung Hom, To Kwa Wan and many other districts recently. Water balloons were thrown at local tourist guides as people vented anger on them. In light of this, has the Government increased the budget or manpower support for improving the above situation, thereby achieving “quality and honest tourism”? If yes, please provide the review objectives and the current progress of the follow-up work; if no, what are the reasons? How does the Government coordinate the trade to follow up and improve the situation?
- 2) The characteristics and capacity to receive tourists vary among districts. How does the Government assess and promote, in terms of budget and manpower, the development of tourist attractions in different districts? What are the amount of resources and manpower allocated for improving the receiving capacity of the communities, supporting and enhancing the tourism resources of various districts, and at the same time alleviating tourism-induced pressure and community conflicts while promoting local characteristic tourism?
- 3) Please provide in table form information about travel agents, tourist guides and tour escorts in the past 5 years:
 - a) Number of new applications and approved cases;
 - b) Number of licence renewal applications and approved cases;

- c) Number of complaints against the above 3 parties regarding their registration status, number of cases under investigation and number of cases of revocation/non-renewal of licence.

Asked by: Hon POON Siu-ping (LegCo internal reference no.: 54)

Reply:

The Travel Industry Council of Hong Kong (TIC) and the former Guangzhou Tourism Administration (now called the Guangzhou Administration of Culture, Radio, Television and Tourism) signed a co-operation agreement in December 2015 to launch the Red Lists of “Quality and Honest Hong Kong Tours”. Travel agents joining the Red Lists of Guangzhou and Hong Kong are committed to, among other things, not organising low-price Hong Kong tours and not forcing visitors to shop. The TIC is an industry organisation independent of the Government, and its finance is not part of the Government’s estimates.

The Government has been pragmatic in tackling problems brought about by visitors to Hong Kong to local communities, and maintaining close liaison with the travel trade, TIC, district personalities, Legislative Council Members, etc. to implement various targeted mitigation measures. Such measures include encouraging tour coaches to use proper parking spaces, appealing to the trade to observe order when receiving inbound tour groups, use information technology in strengthening control on visitor and vehicular flow, etc. The Tourism Commission, together with relevant Government departments and the TIC, meet with trade representatives from time to time to monitor their arrangements in receiving inbound tour groups.

Furthermore, before peak periods of visitor arrivals, the Tourism Commission will convene inter-departmental meetings to strengthen visitor crowd control measures and endeavour to alleviate the impact brought about by tourist activities to local communities.

On diversion of tourists, the Government will continue to join forces with the Hong Kong Tourism Board and the trade to implement the Development Blueprint for Hong Kong’s Tourism Industry promulgated in 2017, which includes nurturing and developing tourism products and initiatives with local and international characteristics to cater for the needs and preferences of different visitor segments and divert tourists to different districts for sightseeing and shopping.

The relevant staffing and expenditure of the Commerce and Economic Development Bureau (including the Tourism Commission) to take forward the aforementioned work have been subsumed within the establishment and provision of the Commerce, Industry and Tourism Branch, and it is difficult to quantify them separately.

In the past 5 years, the numbers of new applications of travel agent licences, tourist guide passes and tour escort passes are as follows:

	2014	2015	2016	2017	2018
No. of new applications of travel agent licences (No. of cases approved thereof)	107 (95)	98 (91)	98 (88)	85 (75)	105 (82)
No. of new applications of tourist guide passes (No. of cases approved thereof)	269 (269)	298 (298)	172 (172)	113 (113)	138 (138)
No. of new applications of tour escort passes (No. of cases approved thereof)	1 797 (1 797)	1 603 (1 603)	1 289 (1 289)	1 020 (1 020)	1 026 (1 026)

In the past 5 years, the numbers of renewal applications of travel agent licences, tourist guide passes and tour escort passes are as follows:

	2014	2015	2016	2017	2018
No. of renewal applications of travel agent licences (No. of cases approved thereof)	1 739 (1 739)	1 759 (1 759)	1 766 (1 766)	1 783 (1 783)	1 810 (1 810)
No. of renewal applications of tourist guide passes (No. of cases approved thereof)	1 838 (1 832)	1 134 (1 133)	2 051 (2 051)	1 629 (1 627)	1 242 (1 240)
No. of renewal applications of tour escort passes (No. of cases approved thereof)	6 120 (6 116)	4 642 (4 642)	4 661 (4 661)	5 937 (5 937)	4 374 (4 374)

In the past 5 years, the numbers of complaints against travel agents, tourist guides and tour escorts are as follows:

	2014	2015	2016	2017	2018
No. of complaint cases against travel agents and cases investigated by TIC (No. of cases thereof involving substantiated non-compliance and leading to travel agent licence revocation)	1 047 (1)	1 128 (3)	1 004 (1)	1 062 (0)	942 (0)
No. of complaint cases against tourist guides and cases investigated by TIC (No. of cases thereof involving substantiated non-compliance and leading to tourist guide pass revocation)	145 (0)	122 (0)	48 (0)	66 (2)	71 (0)

	2014	2015	2016	2017	2018
No. of complaint cases against tour escorts and cases investigated by TIC	109	105	91	82	94
(No. of cases thereof involving substantiated non-compliance and leading to tour escort pass revocation)	(0)	(0)	(0)	(0)	(0)

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)141

(Question Serial No. 0277)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since the estimated expenditure in 2019-20 is 111.5% higher than the revised estimate in 2018-19, will the Government inform this Committee of:

- 1) the projects with more than 50% increase in expenditure over last year, the actual estimate of each project concerned, the additional manpower and mode of appointment involved, co-organising associations and form of expenditure (e.g. full rate grant / half rate grant / flat rate grant, etc) in the form of a table;
- 2) the top 10 projects with the highest estimated expenditure under the above Programme, the actual estimate of each project concerned, the additional manpower and mode of appointment involved, co-organising associations and form of expenditure (e.g. full rate grant / half rate grant/ flat rate grant, etc) in the form of a table.

Asked by: Hon POON Siu-ping (LegCo internal reference no.: 51)

Reply:

The estimate under Programme (6) for 2019-20 is \$387.9 million (111.5%) higher than the revised estimate for 2018-19, which is due to:

- the funding of \$350 million to establish the Travel Industry Authority;
- the additional provision of \$26.8 million to continue to implement the “Development Blueprint for Hong Kong’s Tourism Industry” (the Development Blueprint), mainly for taking forward six new initiatives to promote tourism development, details of which are shown in the following table:

Tourism initiatives to be implemented	Additional funding amount in 2019-20 (\$ million)
<p><u>Strategy 1:</u> To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</p> <ul style="list-style-type: none"> Allocating additional funding to the Travel Industry Council of Hong Kong (TIC) for strengthening its web-based tourism resource platform about the Belt-and-Road (B&R) related countries and regions and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) cities 	2
<p><u>Strategy 2:</u> To nurture and develop tourism products and initiatives with local and international characteristics</p> <ul style="list-style-type: none"> Commissioning a consultancy study to review the exhibition and visitor facilities of Hong Kong Wetland Park Enhancing the facilities and services of Ngong Ping Nature Centre to complement the improvement scheme for the hiking trails in the vicinity 	9.2
<p><u>Strategy 3:</u> To develop smart tourism</p> <ul style="list-style-type: none"> Commissioning a consultancy study on promotion of smart tourism Extending the official smart landing page, “Visit Hong Kong”, to other boundary control points 	4.5
<p><u>Strategy 4:</u> To upgrade the service quality of tourism industry</p> <ul style="list-style-type: none"> Allocating additional funding to TIC for promoting business co-operation through trade forums or exchange visits in B&R related countries and regions and Greater Bay Area cities, as well as enhancing the service quality of the travel trade through training initiatives 	4
<i>Sub-total</i>	<i>19.7</i>
Other initiatives under implementation	
Supporting the appeal panel under the new regulatory regime of the travel industry, the extension of food truck pilot scheme for two years, and providing additional manpower to implement other on-going initiatives under the Development Blueprint	7.1
<i>Total</i>	<i>26.8</i>

- the remaining increase of \$11.1 million in estimate to cater for the creation of new posts, the impact of pay rise and other operating expenses.

Separately, details of the six new posts to be created under Programme (6) in 2019-20 are as follows:

Rank	Number of post	2019-20 salary provision (\$)	Job nature and area of work
Chief Executive Officer (starting from 1 Jan 2020)	1	361,485*	To support the appeal panel under the new regulatory regime of the travel industry.
Senior Executive Officer (starting from 1 Jan 2020)	1	268,380*	
Executive Officer I (starting from 1 Jan 2020)	1	191,790*	
Senior Executive Officer (starting from 1 Apr 2019)	1	1,073,520	To implement the Development Blueprint.
Executive Officer I (starting from 1 Apr 2019)	1	767,160	
Executive Officer I (starting from 1 Apr 2019)	1	767,160	To replace an existing non-civil service contract position for providing support in promulgating the on-going Meetings, Incentive Travels, Conventions and Exhibitions promotion initiatives.
Total number of posts to be created:	6		

*Remarks: Provision for 3 months

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)142

(Question Serial No. 2895)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding “continue to monitor the implementation of the pilot scheme on food trucks and conduct review on the pilot scheme”, will the Government inform this Committee:

1. of (i) the details of promotion or publicity programmes for food trucks and the expenses incurred in each financial year since the official launch of the scheme in 2017, (ii) the estimated expenditure for the pilot scheme on food trucks in the past 2 years, (iii) in light of the announcement made at the end of last year that the scheme would be extended for 2 more years, the amount of expenditure spent on reviewing the scheme, as well as the expenditure earmarked for promoting/monitoring the scheme;
2. of (i) the operation details of food trucks each year (including the pedestrian flow at each operating location at different times of the day, business turnover for each operator, respective figures on operators recording profits and deficits), (ii) in table form, the annual total revenue recorded at each operating location; and (iii) number of operators withdrawn from the scheme and the drop-out dates since the official launch of the scheme in 2017;
3. given that many of the food truck operators have withdrawn from the scheme, does the Government have any plans on relaxing the requirements and laws applicable to vehicles used as food trucks, thereby lowering the upfront cost for investors, so as to make the relevant cost affordable to the operators of start-ups and small businesses? What are the details?
4. given the public criticism on the food truck scheme, has the Government carried out any consultation before deciding to extend the scheme for another 2 years? If yes, what are the details? If no, what are the reasons? When will the Government

expect to conduct a comprehensive review and gauge public opinion in determining the development of the Food Truck Pilot Scheme?

Asked by: Hon SHIU Ka-chun (LegCo internal reference no.: 69)

Reply:

The Tourism Commission (TC) set up a Food Truck Office in April 2016 to implement the Food Truck Pilot Scheme (the Scheme) and provide one-stop services to food truck operators. The Government spent a total of \$30.39 million from 2016-17 to 2018-19 for running the Scheme. The expenditure for each financial year is as follows:

Financial Year	Expenditure
2016-17	\$12.413 million
2017-18	\$8.729 million
2018-19	\$9.248 million

The Scheme is extended for two more years from 3 February 2019 and the Food Truck Office will continue implementing the Scheme. The Government has earmarked \$11.472 million in total in 2019-20 and 2020-21 for running the Scheme during the extension period. The estimated expenditure for the two financial years is as follows:

Financial Year	Estimated Expenditure
2019-20	\$5.736 million
2020-21	\$5.736 million

The expenditure for the promotion cum publicity as well as evaluation of the Scheme have been subsumed within the provision of the Food Truck Office, and it is difficult to quantify them separately.

According to the statements of accounts submitted by the food truck operators, the total gross revenue of 15 food trucks was around \$40 million as at early January 2019. Details are shown in the table below:

Gross revenue (up to early January 2019)	Number of food trucks
Between \$4 million and \$4.5 million	Two
Between \$3.5 million and \$4 million	One
Between \$3 million and \$3.5 million	Three
Between \$2.5 million and \$3 million	Four
Between \$2 million and \$2.5 million	One
Between \$1.5 million and \$2 million	Three
Below \$1.5 million	One (The food truck commenced business in December 2017)

TC does not keep information on the operating cost of each food truck and thus is not able to comment on their profit or loss.

The total gross revenue of food trucks at each operating venue as at early January 2019 are set out below:

Operating venues	Gross revenue of food trucks* (up to early January 2019)
Hong Kong Disneyland	\$21.91 million
Tsim Sha Tsui Art Square	\$3.52 million
Tsim Sha Tsui Salisbury Garden	\$3.48 million
Ocean Park	\$2.02 million
Golden Bauhinia Square	\$1.53 million
Wong Tai Sin Square	\$0.97 million
Central Harbourfront Event Space	\$0.83 million
Hong Kong University of Science and Technology	\$0.5 million
Energizing Kowloon East Venue 1	\$0.47 million
Hong Kong Science Museum	\$0.24 million
Science Park	\$0.22 million
AsiaWorld-Expo (food trucks only operated in this venue for 8 days between May and September 2017.)	\$0.06 million
Total	\$35.75 million

* The latest revenues are the preliminary figures which may be adjusted according to the finalised figures to be submitted by the operators.

Since the launch of the Scheme, two selected applicants withdrew from the Scheme during the licence application process in March and May 2017 respectively. Another operator withdrew from the Scheme in October 2017 (after running the business for 5 months) allegedly due to disagreement with his business partner.

To ensure the food cooked in food truck conforms to good food hygiene and safety level in Hong Kong as well as food truck's road safety, the vehicles should be equipped with food compartment with suitable installation, and issued with Food Factory Licence by the Food and Environmental Hygiene Department under the Food Business Regulation (Cap 132X) and special purpose vehicle licence with body type "food processor" by the Transport Department under the Road Traffic Ordinance (Cap 374) under the framework of the Scheme. During the extension period of the Scheme, TC will not accept any new application for food truck operation. The existing 15 food trucks will continue to operate largely under the current modus operandi of the Scheme.

Since the launch of the Scheme on 3 February 2017, the business performance of 15 food trucks varied significantly. Some food trucks performed relatively better or even opened brick-and-mortar shops. This reflects that more time can be given for observing their performance. Besides, TC has regularly fine-tuned the arrangements of the Scheme and rolled out various refinement measures taking account of the operating performance of food trucks and operators' opinions. Hence, having consulted relevant departments and venue management, TC decides to extend the Scheme for two more years up to 2 February 2021 with a view to allowing sufficient time for the Scheme to be tested out in the market.

During the extension period of the Scheme, TC will continue to look for other new operating venues and explore further refinement measures to the Scheme where practicable. We will prepare the final evaluation report in respect of the future direction of the Scheme in 2020.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)143

(Question Serial No. 0686)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2018-19 and 2019-20, the Commerce, Industry and Tourism Branch would continue to implement the relevant recommendations of the Task Force on Manpower Development of the Retail Industry. Will the Government advise the details, indicators and expenditure involved in the relevant work?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 23)

Reply:

The Government continued to implement in 2018-19 a set of measures to support manpower development of the retail industry, and will continue to do so in 2019-20. The measures include the following:

- the Earn & Learn Pilot Scheme for the Retail Industry (Pilot Scheme) (rolled out by the Vocational Training Council in partnership with the Hong Kong Retail Management Association) – The Pilot Scheme seeks to provide a channel for Secondary Six graduates to attend classes on campus while acquiring working experience at retail shops. The Pilot Scheme aims at easing the manpower strain of the retail industry, as well as providing training for aspiring youngsters to join the retail workforce. During their study period, the Government provides an allowance of \$2,000 per month to each student-worker with satisfactory school and work attendance. Since the launch of the Pilot Scheme, over 600 student-workers have already enrolled;

- the Retail Technology Adoption Assistance Scheme for Manpower Demand Management (ReTAAS) (launched in partnership with the Hong Kong Productivity Council) – ReTAAS aims to support the retail industry to adopt technologies for manpower management and enhancing productivity. As at the end of February 2019, some 370 applications have been approved with a total amount of funding approved of around \$13.6 million; and
- on-going promotion of the retail industry (conducted in collaboration with the retail sector) – The promotion aims to project a positive image of the industry through various channels, such as TV and radio Announcement in the Public Internets (APIs), online animation videos, dedicated website and social media page. In terms of content, the publicity items seek to promote the diversified nature of retail jobs, good people management and relevant training opportunities and courses etc.

The estimated expenditure for the above measures in 2019-20 is \$2.13 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)144

(Question Serial No. 0687)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2018-19 and 2019-20, the Commerce, Industry and Tourism Branch would continue to implement various measures to support the further development of wine-related businesses in Hong Kong. Will the Government advise the details, indicators and expenditure involved in the relevant work?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 24)

Reply:

The Government exempted the wine duty in 2008, with a view to unleashing the potential of wine-related businesses, thereby benefitting the economy. Hong Kong has since then become a regional wine trading and distribution hub, as well as the second largest wine auction centre in the world. In 2018, Hong Kong's wine import amounted to about \$12 billion, representing an around sevenfold growth over that in the full year of 2007. In the same year, Hong Kong's wine re-export amounted to about \$3.4 billion, representing an around fivefold growth over that in the full year of 2007. The boom in wine trade has contributed to the growth of related businesses such as logistics, exhibition, catering and education. The number of establishments conducting wine-related businesses was around 2 100 (as at the third quarter of 2018), representing a twofold growth over that in 2007.

Details of our efforts in 2018-19 and 2019-20 to support the further development of wine-related businesses are given below –

- Regarding trade and investment promotion, the Commerce, Industry and Tourism Branch oversees the work of relevant agencies, including wine-related business promotion events such as the Hong Kong International Wine & Spirits Fair and the Hong Kong Wine and Dine Festival organised by the Hong Kong Trade Development

Council (HKTDC) and the Hong Kong Tourism Board (HKTB) respectively. HKTDC and the Government's economic and trade offices would further assist the industry in exploring potential markets not only on the Mainland, but also those in the region. We also provide support for the Hong Kong Quality Assurance Agency (HKQAA) to promote in the Mainland its wine registration and wine storage certification schemes, to underline Hong Kong traders' reputation;

- Regarding clearance facilitation, the customs facilitation scheme for wine entering the Mainland through Hong Kong was enhanced in 2017, with its scope expanded to cover all customs districts of the Mainland. The scheme enables wine consignments to get instant customs clearance on arrival at Mainland ports. The Customs and Excise Department (C&ED) will continue to step up promotion of the scheme; and
- Regarding education and manpower training, apart from courses run by different institutes, we will continue to encourage the industry and training bodies to collaborate with trading partners in launching other wine-related courses to meet the industry's needs.

The work arising from the implementation of the above measures will continue to be carried out with existing resources. The related expenditure is subsumed under the establishment of and provision for this Branch. It is difficult to quantify such expenditure separately. Regarding the Hong Kong International Wine & Spirits Fair and the Hong Kong Wine and Dine Festival mentioned above, the costs are met through government subvention to HKTDC and HKTB, charging of event fees and commercial sponsorships.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)145

(Question Serial No. 0688)

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

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

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2019-20, the Commerce, Industry and Tourism Branch will consider the views collected during public consultation on the proposed framework for implementing a statutory cooling-off period on beauty and fitness services consumer contracts, with a view to finalising the framework and preparing the relevant legislative proposal. Please provide details about the indicators, timetable, staff establishment (with tabulated figures by post) and estimated expenditure for work in that regard. Please also state the circumstances under which the Government will shelve the legislative proposal to be implemented for the beauty industry.

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 25)

Reply:

The Commerce and Economic Development Bureau (CEDB) is conducting a public consultation on the legislative proposal to stipulate a statutory cooling-off period for beauty and fitness services consumer contracts, in order to collect public views on the scope, definition of trades, exemptions, operational arrangements, and redress mechanism of the cooling-off period etc., to assist the Government in formulating the way forward on the legislative proposal. The public consultation period is from 15 January 2019 to 16 April 2019. We will listen carefully to the views of various sectors on a statutory cooling-off period. Depending on the outcome of the public consultation, we aim at introducing the relevant bill providing for a statutory cooling-off period into the Legislative Council in the 2019-20 legislative session.

The relevant staffing and expenditure of the CEDB to formulate the proposed framework and to draft the relevant legislative proposal have been subsumed within the establishment and provision of the Commerce, Industry and Tourism Branch, and it is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)146

(Question Serial No. 0689)

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

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

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2019-20, the Commerce, Industry and Tourism Branch will continue to monitor the implementation of the amended Trade Descriptions Ordinance in tackling unfair trade practices that may be deployed in consumer transactions. Please provide details on the work targets, establishment of staff involved (with tabulated figures by posts) and estimated expenditure.

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 26)

Reply:

Since the amended Trade Descriptions Ordinance (TDO) came into effect in July 2013, the Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) has been monitoring the enforcement work of the law enforcement agencies of the TDO, including complaint processing, investigation, prosecution and related education work for the trades and the public, as well as providing resources to the Consumer Council to conduct TDO-related publicity and education. With the efforts on various fronts, the enforcement agencies have initiated successful prosecutions against unfair trade practices prohibited under the TDO, and there has been an increased understanding among traders and the general public of the TDO.

In 2019-20, we will continue our work in this regard. The Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) uses its existing resources to carry out the relevant work. It is difficult to quantify it separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)147

(Question Serial No. 0690)

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

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

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated provision for the Consumer Council in 2019-20 is 12.2% (\$14.3million) higher than the revised estimate in 2018-19, reportedly due to the allocation of additional funding for enhanced manpower support for the study and testing unit of the Consumer Council and for meeting the increase in expenditure on testing work. Please provide the breakdowns of the relevant expenditure with detailed explanations.

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 27)

Reply:

The subvention provided to the Consumer Council in 2019-20 is \$14.3 million higher than the revised estimate in 2018-19. This additional funding is mainly planned to be used for strengthening the manpower support for the Council's Research and Survey Division, meeting increased expenditure on testing fees, implementing enhancements to "CHOICE" Magazine, redeveloping the Council's website and carrying out other information technology improvement projects.

Among the additional funding, \$5.9 million is planned to be allocated to the Research and Survey Division of the Consumer Council, from which \$2.4 million is planned to be used to increase the manpower establishment, including 1 post of Senior Research & Survey Officer, 2 posts of Research & Survey Officer, and 1 post of Clerical Officer II. The remaining \$3.5 million is planned to be used to meet the increased expenditure on testing fees.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)148

(Question Serial No. 0691)

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

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

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since the functions of the Consumer Council (the Council) include examining complaints from consumers, will the Government inform this Committee:

- (1) how complaints from consumers are examined;
- (2) how to determine whether the complaints are substantiated and what follow-up actions should be taken; and
- (3) of the staff establishment involved (tabulated by post), the expenditure involved and its percentage share among the provisions for the Council?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 28)

Reply:

Consumers that have disputes with traders and are unable to come to an agreement may lodge a complaint with the Consumer Council (the Council). The Council acts as a conciliator and assists consumers in resolving disputes with the traders.

Upon receipt of a consumer complaint and provision of adequate case details, such as trader's contact, sales contract and receipt of payment etc, if the dispute falls within the Council's functions and powers, the Council's staff will contact the trader concerned by email, letter or phone and inform the trader about the content of the complaint as well as the requests of the complainant (e.g. refund, return, quality improvement or goods delivery arrangements etc). It will then be followed by a discussion with the trader on how to work out a solution to resolve the problem. The Council has collaborated with the various trade associations to establish codes of practice. Complaints may be referred to the relevant trade associations for handling with the consent of the complainant and the trader.

If a case is related to the work of government departments or regulatory bodies, the Council, after explaining to the complainant and obtaining his or her consent, will refer the case to the relevant department or body for follow up. Also, if any violation of law and regulation is suspected during the handling process, the Council will refer the case to law enforcement agencies for follow-up after obtaining the consent of the complainant. For example, complaints against travel agencies would be referred to Travel Industry Council for follow-up, and cases involving counterfeit goods would be referred to the Customs and Excise Department for follow-up.

The Council's functions do not include law enforcement. During the complaint handling process, the Council does not have the power of investigation or adjudication. The Council focuses on assisting the complainant and the trader to resolve the dispute. The case details provided by the complainant will be duly relayed to the trader concerned for a response so that the parties can work out a solution. Successful resolution relies on the cooperation of the trader and the willingness of both parties to put an end to the dispute. If the dispute cannot be resolved by conciliation, the complainant may consider other channels to follow up, e.g. by pursuing the claim in court.

The Complaints and Advice Division of the Council is responsible for handling complaints and providing advice. In 2017-18, the relevant personnel expense was \$33.97 million, which accounted for 31% of the financial provision of the Council of that year. As at 31 December 2018, the establishment and strength of the Complaint and Advice Division was as follows:

Position	Establishment	Strength
Principal Complaints & Advice Officer	1	1
Chief Complaints & Advice Officer	2	2
Senior Complaints & Advice Officer	7	7
Complaints & Advice Officer	26	24
Complaints Assistant	3	4
Clerical Officer II	6	5
Statistical Clerk	1	1
Clerical Assistant	15	14
Total	61	58

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)149

(Question Serial No. 0692)

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

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

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since the functions of the Consumer Council (the Council) include encouraging business and professional associations to establish codes of practice, will the Government inform this Committee:

- (1) how the business and professional associations are encouraged to establish codes of practice;
- (2) which business and professional associations have been successfully encouraged to establish codes of practice in the past 10 years;
- (3) of the staff establishment involved (tabulated by post), the expenditure involved and its percentage share among the provisions for the Council?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 29)

Reply:

The Consumer Council (the Council) has been promoting self-regulation across various business and professional bodies and assisting various trades in setting up codes of practice as and when practicable.

The Council produced in 2005 and 2006 the "Good Corporate Citizen's Guide" I and II, and encouraged various trade associations to adopt them as they are or with appropriate adjustments to cater for their circumstances. In encouraging trade associations to establish codes of practice, apart from setting out the principles and rules to be observed, the Council also assists eligible trade associations in developing their code through holding preparation meetings with the trade associations, providing assistance in the drafting of the code's

contents, as well as collaborating with the trade associations in promoting the code to their members etc.

The Council, in collaboration with the relevant industries, launched “The Code of Practice for the Beauty Industry”, “The Code of Practice for the Laundry Industry” and “The Code of Practice for the Jewellery Retail Industry” in 2006, 2015 and 2017, respectively.

The Council’s manpower and expenditures on encouraging business and professional associations to establish codes of practice are subsumed in the Council’s establishment and the Government’s subvention for the Council. It is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)150

(Question Serial No. 0693)

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

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

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since the functions of the Consumer Council (the Council) include monitoring trade practices, will the Government inform this Committee:

- (1) how trade practices are monitored;
- (2) which trades have their practices monitored in the past 5 years;
- (3) of the staff establishment involved (tabulated by post), the expenditure involved and its percentage share among the provisions for the Council?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 30)

Reply:

The Consumer Council (the Council) monitors trade practices through conducting in-depth market and legal studies and consumer surveys, handling and analysis of consumer complaints, as well as discussion and communication with the trades.

In the period from 2014 to 2018, the Council conducted many in-depth studies including market and legal studies, as well as consumer surveys. Industries or topics involved include: infant formula, first-hand residential properties, electricity market, auto-fuel prices, sustainable consumption, online retail, medical beauty services, consumption by credit card prepayment, personalised point-to-point car transport services, cooling-off period for contracts, overseas education advisory services and elderly consumption, etc. The study reports have been uploaded to the Council's website for public access. Moreover, the Council also conducts studies on the trade practices and quality of goods and services of various industries, such as foreign domestic helper intermediary agencies, home care

services, walking sticks for the elderly, travel adaptors with USB ports and taxi hailing apps, etc., and publishes the study results in the monthly CHOICE magazine.

Apart from the work mentioned above, the Council also handles consumer complaints proactively, compiles complaint statistics, and releases the figures through its website on a monthly basis. The Council analyzes the content and nature of the complaints to monitor whether there are surges in certain types of complaints, such as on trade practices etc., in certain industries.

In conducting market studies and handling complaints, the Council would be in contact with traders of the relevant industries from time to time, communicate with them and enhance its understanding of their operation. If necessary, the Council would advise the trades its views concerning trade practices.

The Council's manpower and expenditures on monitoring trade practices are subsumed in the Council's establishment and the Government's subvention for the Council. It is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)151****(Question Serial No. 0694)**

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

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

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since the functions of the Consumer Council (the Council) include conducting product tests and research, will the Government inform this Committee:

- (1) of the product tests and research conducted in the past 5 years and the expenditure involved in each test/research;
- (2) whether any product tests and research were outsourced to other organisations in the past 5 years; if yes, the reasons as well as the details and expenditure of each test/research;
- (3) of the staff establishment involved (tabulated by post), the expenditure involved and its percentage share among the provisions for the Council?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 31)

Reply:

Information on product tests, surveys and studies on products and services conducted by the Consumer Council (the Council) in the past five years are set out below:

Calendar Year	Product tests	Surveys	In-depth studies on products and services	Studies of general interest on products and services
2014	43	25	24	18
2015	42	35	20	19
2016	42	31	22	18

Calendar Year	Product tests	Surveys	In-depth studies on products and services	Studies of general interest on products and services
2017	44	30	17	19
2018	44	29	14	19

Names of product tests, surveys and studies on products and services conducted by the Council in 2018 are listed at the Annex. Names of product tests, surveys and studies on products and services conducted by the Council were listed at the Council's annual reports in various years. The annual reports have been uploaded to the Council's website.

The Council does not have its own laboratory for product tests. All product testing projects have to be endorsed by the Research and Testing Committee of the Council and then commissioned to external independent laboratories to perform the tests. The Council also conducts joint tests with government departments (e.g. the Centre for Food Safety), and participates in international joint tests with consumer organisations in other jurisdictions through the International Consumer Research and Testing. On the other hand, if necessary, some survey and research projects of the Council are outsourced to survey and research institutes with the necessary expertise and facilities.

The Research and Survey Division of the Council is responsible for conducting product tests, surveys and studies on products and services. In 2017-18, the relevant expenditure (including personnel expense and fees for product tests, surveys and studies on products and services) was \$23.32 million, which accounted for 21% of the financial provision of the Council of that year. As of 31 December 2018, the establishment and strength of the Research and Survey Division was as follows:

Position	Establishment	Strength
Principal Research & Survey Officer	1	1
Chief Research & Survey Officer	1	1
Senior Research & Survey Officer	4	4
Research & Survey Officer	10	10
Clerical Officer I	0	1
Clerical Officer II	4	3
Clerical Assistant	2	2
Total	22	22

Since the products and services tested, surveyed and studied by the Council are different every year, the Council's annual expenditure for product tests as well as surveys and studies on products and services varies. The Council's expenditure on product tests as well as surveys and studies on products and services (including cost of outsourcing) in the past five years are set out below:

Financial Year	Cost of outsourcing	Total expenditure (excluding personnel expenses)
2013-14	\$3.37 million	\$5.71 million
2014-15	\$3.67 million	\$5.58 million
2015-16	\$2.88 million	\$4.90 million
2016-17	\$4.14 million	\$6.96 million
2017-18	\$5.87 million	\$7.92 million

The Government will provide an additional annual funding of \$5.9 million to the Council starting from 2019-20 to support its work on testing, survey and research.

**Product tests, surveys and studies on products and services
conducted by the Consumer Council in 2018**

Product Tests (44)

- 1 Thermal Underwear
- 2 USB Power Supplies
- 3 Smart Watches and Fitness Wristbands
- 4 Dehumidifiers
- 5 Asian-style Noodles-in-Soup Dishes
- 6 Mobile Phone Handsets (1)
- 7 Walking Sticks for Elderly
- 8 Cordless Upright Vacuum Cleaners
- 9 Dishwashing Liquid
- 10 Bluetooth Loudspeakers
- 11 Mattresses - Single Size
- 12 Butter and Margarine
- 13 Internet Security Software for Computers
- 14 Room Air Conditioners - Window Type
- 15 Toilet Tissues
- 16 High-end Compact Cameras
- 17 Disposable Menstrual Pads
- 18 Pushchairs
- 19 Travel Adaptors with USB Ports
- 20 Soundbars
- 21 VPN Services
- 22 Honeys
- 23 Mobile Phone Handsets (2)
- 24 School Uniforms
- 25 Essential Oils
- 26 Kitchen Knives – Chef’s Knives
- 27 UV Protection Sleeves
- 28 Omnidirectional Cameras
- 29 Bicycle Helmets
- 30 Tablet PCs
- 31 Electric Air Cleaners
- 32 Wi-Fi Routers
- 33 Tofu - Safety and Nutrition
- 34 Electric Storage Water Heaters
- 35 Headphones
- 36 Espresso Makers
- 37 Facial Cleansers and Washes
- 38 Bread
- 39 Non-stick Frying Pans
- 40 Mobile Phone Handsets (3)
- 41 Perfumes and Fragrances
- 42 Cameras with Interchangeable Lens

- 43 Bookshelf Speakers
- 44 Multi-Function Compact Hot Plates

Surveys (29)

- 1 Part-time Domestic Helper
- 2 Car Warranty and After-sales Maintenance Services
- 3 Festive Gift Packs
- 4. Tumble Dryers
- 5 Menopause and Osteoporosis
- 6 Taxi Hailing Apps
- 7 Self Service Laundry
- 8 Annual Supermarket Price Survey
- 9 Home Contents Insurance
- 10 Travel Insurance
- 11 Ecolabelling of Prepackaged Food - Organic Snacks
- 12 Swimming Lessons for Children
- 13 Elderly Escort and Transport Services
- 14 Textbook Survey - Prices
- 15 Stocks Monthly Saving Plans
- 16 Multivitamins
- 17 Exfoliating & Peeling Products
- 18 Automatic Vending Machine Services
- 19 Textbook Survey - Expenditure
- 20 Foreign Domestic Helper Insurance Plans
- 21 Ticket Reseller Platforms
- 22 Textbook Survey - Textbook Revisions
- 23 Credit Card Services - Cash Rebates
- 24 Price Survey of Online Supermarkets
- 25 to 29 Bi-monthly Infant Formula Price Survey

In-depth Studies on Products and Services (14)

- 1 G6PD Deficiency
- 2 Tooth Whitening Products
- 3 Dust Mites - Product Claims and Cleaning of Bedding
- 4 Internet Security Software for Computers
- 5 Mandatory Energy Efficiency Labelling Scheme (Phase III)
- 6 Consumer Credit Reporting and Rating Services
- 7 Anti-Cellulite Creams
- 8 Cruise Holidays
- 9 Different Types of Tofu
- 10 Pre-packaged Chinese Herbal Products for Menstrual Symptoms
- 11 Gluten Allergy (Coeliac Disease)
- 12 Wart Removal
- 13 New Flat Inspection Services
- 14 Electronic Cigarettes & Heat-not-burn (HNB) Cigarettes

Studies of General Interest on Products and Services (19)

- 1 Counterfeit Drug convictions year end summary
- 2 Headsets
- 3 Camera sets
- 4 Blood Glucose Monitors
- 5 Smartphones (1)
- 6 lip balms
- 7 Smart Watches and Fitness Wristbands
- 8 Smartphones (2)
- 9 power banks
- 10 Masks
- 11 Pushchairs
- 12 Compact cameras
- 13 Facial masks
- 14 Smartphones (3)
- 15 Tablet PCs
- 16 Bicycle helmets
- 17 Omnidirectional Cameras
- 18 Thermal Underwear
- 19 USB Adaptors

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)152

(Question Serial No. 0695)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The provision for 2019–20 under this programme is about \$730 million, which is 111.5% higher than that of last year. Will the Government advise the reasons and the breakdown on expenditure?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 32)

Reply:

The estimate under Programme (6) for 2019-20 is \$387.9 million (111.5%) higher than the revised estimate for 2018-19, which is due to:

- the funding of \$350 million to establish the Travel Industry Authority;
- the additional provision of \$26.8 million to continue to implement the “Development Blueprint for Hong Kong’s Tourism Industry” (the Development Blueprint), mainly for taking forward six new initiatives to promote tourism development, details of which are shown in the following table:

Tourism initiatives to be implemented	Additional funding amount in 2019-20 (\$ million)
<p><u>Strategy 1:</u> To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</p> <ul style="list-style-type: none"> Allocating additional funding to the Travel Industry Council of Hong Kong (TIC) for strengthening its web-based tourism resource platform about the Belt-and-Road (B&R) related countries and regions and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) cities 	2
<p><u>Strategy 2:</u> To nurture and develop tourism products and initiatives with local and international characteristics</p> <ul style="list-style-type: none"> Commissioning a consultancy study to review the exhibition and visitor facilities of Hong Kong Wetland Park Enhancing the facilities and services of Ngong Ping Nature Centre to complement the improvement scheme for the hiking trails in the vicinity 	9.2
<p><u>Strategy 3:</u> To develop smart tourism</p> <ul style="list-style-type: none"> Commissioning a consultancy study on promotion of smart tourism Extending the official smart landing page, “Visit Hong Kong”, to other boundary control points 	4.5
<p><u>Strategy 4:</u> To upgrade the service quality of tourism industry</p> <ul style="list-style-type: none"> Allocating additional funding to TIC for promoting business co-operation through trade forums or exchange visits in B&R related countries and regions and Greater Bay Area cities, as well as enhancing the service quality of the travel trade through training initiatives 	4
<i>Sub-total</i>	19.7
Other initiatives under implementation	
Supporting the appeal panel under the new regulatory regime of the travel industry, the extension of food truck pilot scheme for two years, and providing additional manpower to implement other on-going initiatives under the Development Blueprint	7.1
<i>Total</i>	26.8

- the remaining increase of \$11.1 million in estimate to cater for the creation of new posts, the impact of pay rise and other operating expenses.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)153****(Question Serial No. 0696)**

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2019-20, the Hong Kong Tourism Board will put efforts and resources in 20 key visitor source markets for promotion purposes. In this regard, will the Administration set out the names of these markets and planned resources in the form of a table?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 33)

Reply:

In 2019-20, the Hong Kong Tourism Board (HKTB) will continue to focus its marketing resources on 20 key markets, which together generate approximately 96% of all visitor arrivals to Hong Kong. HKTB's proposed marketing budget in 2019-20 in key source markets is listed below:

(HK\$ million)	2019-20 Proposed Budget [#] (percentage of overall marketing budget)
<i>The Mainland</i>	39.2 (23.1%)
South China	7.8 (4.6%)
<i>Non-Guangdong</i>	3.9 (2.3%)
<i>Guangdong</i>	3.9 (2.3%)
Central China	11.8 (7.0%)
East China	7.9 (4.6%)
North China	11.8 (7.0%)
<i>Short-haul Markets</i>	74.9 (44.1%)
Japan	12.3 (7.3%)
Taiwan	12.1 (7.2%)
South Korea	15.2 (8.9%)
Singapore	4.4 (2.6%)

(HK\$ million)	2019-20 Proposed Budget[#] (percentage of overall marketing budget)
The Philippines	8.1 (4.8%)
Malaysia	6.5 (3.9%)
Indonesia	7.1 (4.2%)
Thailand	9.2 (5.4%)
<i>Long-haul Markets</i>	42.6 (25.1%)
The US	14.9 (8.8%)
Australia	8.5 (5.0%)
The UK	7.6 (4.5%)
Canada	4.1 (2.4%)
Germany	4.8 (2.8%)
France	2.8 (1.7%)
<i>New Markets</i>	12.7 (7.5%)
India	7.9 (4.7%)
Russia	3.0 (1.8%)
The GCC Markets	0.9 (0.5%)
Vietnam	0.5 (0.3%)
The Netherlands	0.4 (0.2%)
Total	169.4 (100.0%)

Remarks: Owing to rounding, the total may differ from the sum of the individual figures.

This column only shows the recurrent funding that has been granted to HKTB by the Government. However, this does not include the additional fund that has been allocated to HKTB in the Budget, which amounts to \$326 million in 2019-20. HKTB is planning the allocation of this additional fund to each source market.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)154

(Question Serial No. 4239)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2018-19, the work of the Commerce, Industry and Tourism Branch included co-ordinating with the Hong Kong Tourism Board and relevant parties to further showcase Hong Kong as a premier destination for fine food and wine. In this regard, will the Government consider deploying staff in the existing establishment to review, among other things, the duty on strong liquors so as to enhance our competitiveness, thereby bringing further economic benefits to local industries, including the tourism industry? If no, what are the reasons?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 58)

Reply:

The Hong Kong Wine & Dine Festival organised by the Hong Kong Tourism Board (HKTB) is the kick-off event for the Hong Kong Great November Feast. Since its staging from 2009, this annual event showcases through hundreds of wine and food booths at the venue, Hong Kong's status as the wine and dine hub of Asia as well as being an "Events Capital of Asia" with year round signature events. HKTB will continue to promote Hong Kong as a premier destination for fine food and wine by enhancing the quality and content of the festival and providing visitors and local residents with a unique culinary experience in the city.

Regarding the review of duty on strong liquors, the existing duty rate on liquors with more than 30% alcoholic strength is 100% on an ad-valorem basis. Such a duty system is simple and fair, and is in line with the "ability to pay" principle. The Government has no plan to conduct a review.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)155****(Question Serial No. 4242)**

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The work of the Commerce, Industry and Tourism Branch includes enhancing the various government funding schemes to support Hong Kong enterprises. Please tabulate the cumulative numbers of beneficiary enterprises in various sectors under each scheme.

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 61)

Reply:

The breakdown of the beneficiaries by sector as at February 2019 under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), SME Export Marketing Fund (EMF), SME Loan Guarantee Scheme (SGS) and the special concessionary measures under the SME Financing Guarantee Scheme (SFGS) is as follow:

BUD Fund

	Number of beneficiaries	Percentage
Manufacturing industries	618	44.0%
Textiles and clothing	90	6.4%
Electronics	83	5.9%
Metal products	47	3.3%
Plastics	37	2.6%
Electrical appliances	35	2.5%
Industrial machinery	31	2.2%
Watches and clocks	30	2.1%

	Number of beneficiaries	Percentage
Toys	27	1.9%
Jewellery	25	1.8%
Printing and publishing	23	1.6%
Food and beverage	23	1.6%
Chemical and biotechnology	15	1.1%
Others	152	10.8%
Non-manufacturing industries	786	56.0%
Wholesale and retail	378	26.9%
Import and export trade	193	13.7%
Information technology	54	3.8%
Transportation and logistics	30	2.1%
Creative industries	24	1.7%
Professional services (including legal and accounting services)	17	1.2%
Others	90	6.4%
Total	1 404	100%

EMF

	Number of beneficiaries	Percentage
Manufacturing industries	19 945	41.4%
Electronics	2 996	6.2%
Textiles and clothing	2 873	6.0%
Jewellery	2 064	4.3%
Toys	1 547	3.2%
Metal products	1 190	2.5%
Watches and clocks	1 152	2.4%
Printing and publishing	737	1.5%
Others	7 386	15.3%
Non-manufacturing industries	28 199	58.6%
Import and export trade	18 471	38.4%
Wholesale and retail	3 767	7.8%
Information technology	994	2.1%
Professional services (including legal and accounting)	726	1.5%
Others	4 241	8.8%
Total	48 144	100%

SGS

	Number of beneficiaries	Percentage
Manufacturing industries	8 679	51.7%
Printing and publishing	1 632	9.7%
Plastics	1 375	8.2%
Textiles and clothing	1 321	7.9%
Metal products	1 133	6.8%
Electronics	850	5.1%
Toys	308	1.8%
Others	2 060	12.3%
Non-manufacturing industries	8 100	48.3%
Import and export trade	2 965	17.7%
Wholesale and retail	1 383	8.2%
Construction	513	3.1%
Transportation and logistics	448	2.7%
Restaurants and hotels	273	1.6%
Professional Services (including legal and accounting services)	260	1.5%
Engineering	242	1.4%
Others	2 016	12.0%
Total	16 779	100%

Special Concessionary Measures under SFGS

Sector	Number of beneficiaries	Percentage
Manufacturing	1 693	19.9%
Textiles and clothing	322	3.8%
Electronics	157	1.8%
Plastics	122	1.4%
Metal products	117	1.4%
Others	975	11.5%
Non-manufacturing	6 822	80.1%
Trading	3 795	44.6%
Wholesale and retail	846	9.9%
Engineering	308	3.6%
Construction	268	3.1%
Transportation/logistics	244	2.9%
Others	1 361	16.0%
Total	8 515	100%

As regards the Trade and Industrial Organisation Support Fund, it provides funding to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.) and does not provide direct funding support to individual enterprises. The number of beneficiaries depends on the industries involved and details of individual projects, and is difficult to estimate accurately.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)156****(Question Serial No. 4243)**

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Tourism Board has formulated indicators for tourism expenditure associated with inbound tourism and per capita expenditure of visitor and so on. Will the Government advise on the total visitor spending on shopping in Hong Kong and the percentage of such in the value of total retail sales in each of the past 5 years?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 62)

Reply:

Details of the total visitor spending on shopping in Hong Kong over the past five years are as follows:

Year	2014 (\$ million)	2015 (\$ million)	2016 (\$ million)	2017 (\$ million)	2018 (\$ million)
Total visitor spending on shopping	208,883	182,833	150,889	145,328	167,125

The total amount of visitor spending on shopping illustrated above is compiled by the Hong Kong Tourism Board who collects data directly from tourists by sampling through the Departing Visitor Research Project. Meanwhile, the data of Total Retail Sales of Hong Kong published by the Census and Statistic Department are collected from local retail stores. With significant differences in terms of data collection and methods of computation, it is not appropriate to compare the data directly.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)157

(Question Serial No. 2815)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2019-20 that the Commerce and Economic Development Bureau (CEDB) will continue efforts in fostering co-operation between Hong Kong and Taiwan on trade, investment and tourism matters. In this connection, please advise this Committee on the following:

1. Given that Taiwan is the third largest trading partner of Hong Kong, how effective are CEDB's efforts in fostering co-operation between the two places last year? What are the staffing structure and the expenditure involved?
2. Does CEDB have any specific plans next year to continue to promote co-operation and foster trade, investment and tourism between the two places? What are the expenditure involved and the expected outcome of such plans?

Asked by: Hon TAM Man-ho, Jeremy (LegCo internal reference no.: 44)

Reply:

The Hong Kong Special Administrative Region Government has been fostering co-operation between Hong Kong and Taiwan in the areas of trade, investment and tourism. Relevant work includes –

- On trade promotion, the Hong Kong Trade Development Council (HKTDC) has been actively promoting the commerce and trade cooperation and exchanges between Hong Kong and Taiwan, and encouraging Taiwanese enterprises to co-operate with Hong Kong companies and leverage on Hong Kong's services platform to tap the overseas and Mainland markets. Also, the Taipei Office of the HKTDC often organises various types of promotional activities to provide an interactive platform for

enterprises of the two places, thereby creating opportunities for business co-operation. In 2018-19, the HKTDC has organised more than 60 activities in Hong Kong and Taiwan to promote the economic and trade relations between the two places, including organising Taiwanese enterprises to participate in various exhibitions and forums held in Hong Kong. The HKTDC's relevant expenditure in 2018-19 is around HK\$5.92 million.

In 2019-20, the HKTDC will continue to promote trade ties between Hong Kong and Taiwan through organising different activities such as trade fairs, outbound missions, seminars, roadshows and business matching activities, etc. In addition, the HKTDC will put more emphasis on promoting sectors where Hong Kong enjoys advantages, such as logistics, e-commerce and licensing, etc. The estimated budget of the HKTDC for trade promotion work targeting Taiwan in 2019-20 is around HK\$5.82 million.

- On investment promotion, Invest Hong Kong (InvestHK) has been promoting Hong Kong's business advantages in Taiwan. Through the investment promotion unit at the Hong Kong Economic, Trade and Cultural office in Taiwan, InvestHK has been reaching out to a wide spectrum of Taiwanese companies and visiting enterprises in different cities in Taiwan so as to encourage Taiwanese companies to leverage on the business advantages of Hong Kong to expand their regional operations. In 2018-19, InvestHK's expenditure on investment promotion work in Taiwan is around \$0.45 million (not including staff costs or other general expenses funded under Head 144).

In 2019-20, InvestHK will continue to promote the above work. It will conduct investment promotion visits so as to attract more Taiwanese companies to set up or expand their business in Hong Kong. The estimated budget of InvestHK for investment promotion work in the Taiwan market in 2019-20 is about the same as in 2018-19 (not including staff costs or other general expenses funded under Head 144).

- On tourism, Taiwan remains Hong Kong's second largest source market. The revised estimate of the Hong Kong Tourism Board (HKTB) for the marketing programmes in the Taiwan market in 2018-19 is \$19.3 million. Visitor arrivals from Taiwan were 1.925 million in 2018.

In 2019-20, HKTB will continue its marketing efforts targeted at the young and family segments in Taiwan. HKTB will join hands with operators including the travel trade, airlines, local hotels, attractions, etc., to launch promotional tourism products targeted at families during long school holidays in Taiwan. HKTB will also work with the travel trade to launch attractive themed tourism products alongside mega events, with a view to drawing young visitors to Hong Kong during their short breaks. In addition, HKTB will deepen its partnership with Taiwan and join hands with airlines and travel agents to promote multi-destination itineraries and products featuring Hong Kong and Taiwan in long-haul markets, such as the United Kingdom, Germany and Russia. The estimated marketing budget of HKTB in 2019-20 for the Taiwan market is \$12.1 million.

Regarding cruise tourism, HKTB will co-operate with other “Asia Cruise Cooperation” (ACC) members (including Taiwan) to promote regional collaboration in cruise tourism, which includes holding conferences in international cruise events, such as Seatrade Cruise Global, to introduce the latest development of ACC member ports to the management of the major cruise lines and encourage them, through the subsidies provided by ACC, to include Hong Kong and other member ports (including Taiwan) in their cruise itineraries. In addition, HKTB will continue to work with other ACC members (including Taiwan) to launch joint promotions in key source markets, such as the newly released regional TV programme “Cruise the World”, to attract consumers to choose cruise products featuring Hong Kong and other member ports (including Taiwan).

Moreover, the Government will continue to, through the platforms of the “Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council” and the “Hong Kong-Taiwan Business Co-operation Committee” of Hong Kong, and the “Taiwan-Hong Kong Economic and Cultural Co-operation Council” and the “Economic Co-operation Committee” of Taiwan, foster economic and trade exchanges and co-operation between Hong Kong and Taiwan. The expenses of the Commerce, Industry and Tourism Branch on the related work have been subsumed under the overall estimated expenditure. It is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)158

(Question Serial No. 0607)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (1) Please provide a list of enterprises supported by the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and their respective amount of funding in the past year.
- (2) Please provide the detailed number of applications received under the BUD Fund.
- (3) Please provide the respective numbers of funded enterprises from Hong Kong, the Mainland and various countries of the Association of Southeast Asian Nations (ASEAN).

Asked by: Hon TIEN Puk-sun, Michael (LegCo internal reference no.: 36)

Reply:

The Government launched the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in June 2012, aiming to assist enterprises in enhancing their competitiveness and furthering their business and brand development in the Mainland. The Government implemented enhancement measures to the BUD Fund in August 2018, including extending the geographical scope to include the Association of Southeast Asian Nations (ASEAN) markets.

In 2018, 497 applications were approved under the Enterprise Support Programme (ESP) of the BUD Fund and the total amount of funding approved was \$225 million. The list of enterprises with approved projects (including approved funding) is available at the website of the BUD Fund (<https://www.bud.hkpc.org>).

Since the launch of the BUD Fund in June 2012 and up to the end of February 2019, a total of 3 727 and 183 applications were received under the Mainland Programme and the ASEAN Programme respectively (including those withdrawn thereafter).

All non-listed enterprises registered in Hong Kong under the Business Registration Ordinance (Chapter 310) with substantive business operations in Hong Kong are eligible to apply for funding support of the BUD Fund. Up to the end of February 2019, a total of 1 597 applications were approved under the Mainland Programme, while a total of 42 applications were approved under the ASEAN Programme which was launched in August 2018. The breakdown of applications received by target market is as follows-

Target ASEAN Market	Number of approved applications
Singapore	24
Malaysia	19
Thailand	17
Indonesia	16
Vietnam	15
Philippines	10
Cambodia	6
Myanmar	3
Laos	3
Brunei Darussalam	2
Total	115 ^{Note}

Note: Some applicants have named more than one target ASEAN markets in the applications. Hence, the total number of target markets involved in the approved applications exceeds the total number of approved applications (i.e. 42).

The Programme Management Committee of the BUD Fund will hold a meeting in the end of March 2019 to consider the next round of applications. It is expected that the number of applications approved will increase further thereafter.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)159

(Question Serial No. 0608)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide details about the on-going smart tourism initiatives, and the estimated amount of funds for each initiative.

Asked by: Hon TIEN Puk-sun, Michael (LegCo internal reference no.: 37)

Reply:

Details of on-going smart tourism initiatives are as follows:

- in 2019-20, we plan to commission a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong to better grasp our visitors' travel habits and enhance their travel experience through the use of technology. The estimated budget for the consultancy study is about \$3 million;
- our official landing page "Visit Hong Kong" will be progressively extended to other boundary ports, e.g. Lok Ma Chau Spur Line control point. The estimated expenditure in 2019-20 including promotional expense is about \$3 million. The Hong Kong Tourism Board will also revamp its website discoverhongkong.com. The provision for 2019-20 is \$12.18 million; and
- we will continue to study with relevant government departments to expand/enhance the free Wi-Fi facilities at tourist hotspots and to assist in the implementation of the Multi-functional Smart Lampposts Pilot Scheme. The relevant work will be undertaken by the existing manpower of the Commerce and Economic Development Bureau, which will not incur additional cost.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)160****(Question Serial No. 3551)**

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget Speech that the number of companies with regional headquarters in Hong Kong amounted to over 1 500 last year. Among them, what is the percentage of Mainland enterprises?

	Number	Percentage
Hong Kong, China		
Mainland China		
United Kingdom		
United States		
Australia		
Europe		

	Number	Percentage
Belt and Road countries		
Greater Bay Area cities (excluding Hong Kong)		

Asked by: Hon TIEN Puk-sun, Michael (LegCo internal reference no.: 52)

Reply:

According to the results of the "2018 Annual Survey of Companies in Hong Kong with Parent Companies located outside Hong Kong", there are 1 530 regional headquarters in Hong Kong with parent companies located outside Hong Kong. The origins of the parent companies are shown in the table below:

Origin Countries of Parent Companies ^{Note}	Number of Regional Headquarters	Percentage
Mainland China	197	13%
United Kingdom	137	9%
United States	290	19%
Australia	35	2%
Europe	567	37%
Belt and Road countries (excluding Mainland China)	125	8%

Note: Due to the grouping of origin countries of parent companies in the table, there are some double counting of figures.

The survey does not cover Hong Kong companies which set up their headquarters in Hong Kong, and there is no breakdown of figures by Mainland cities.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)161

(Question Serial No. 0945)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary will allocate an additional sum of around \$353 million to the Hong Kong Tourism Board (HKTB), enabling it to step up promotion of Hong Kong's image as a premier tourism destination. What are the promotion projects to be funded by the additional provision? What is the estimated expenditure for each promotion project?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 16)

Reply:

The Government has proposed to allocate an additional funding of \$353 million in the 2019-20 Budget to support tourism development, of which \$326 million will be allocated to the Hong Kong Tourism Board (HKTB) for the implementation of the four development strategies set out in the Development Blueprint for Hong Kong's Tourism Industry promulgated by the Government. The proposed resources allocation on various initiatives in accordance with different development strategies are as follows:

Tourism initiatives to be implemented	Additional funding amount in 2019-20 (\$ million)
<p><u>Strategy 1: To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</u></p> <ul style="list-style-type: none"> • Stepping up promotion of Hong Kong’s tourism brand in source markets • Promoting district programmes • Waiving participation fees of local travel trade in joining overseas promotions • Participating in overseas promotion events organised by the Hong Kong Trade Development Council • Launching overseas promotion for new tourism offerings • Developing new source markets • Stepping up tourism promotion on multi-destination itineraries by leveraging the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge • Conducting studies on the business opportunities and travel trends stemming from the Belt-and-Road Initiative, the Guangdong-Hong Kong-Macao Greater Bay Area and new infrastructures • Participating in China International Import Expo 	131.3
<p><u>Strategy 2: To nurture and develop tourism products and initiatives with local and international characteristics</u></p> <ul style="list-style-type: none"> • Implementing Pilot Scheme for Characteristic Local Tourism Events • Stepping up promotion of green tourism • Enriching mega events’ content and enhancing promotion of various large-scale events • Stepping up promotion of MICE tourism • Stepping up promotion of cruise tourism • Promoting Hong Kong-Japan Tourism Year 	167
<p><u>Strategy 3: To develop smart tourism</u></p> <ul style="list-style-type: none"> • Rolling out initiatives to promote smart tourism • Revamping discoverhongkong.com website 	14.18
<p><u>Strategy 4: To upgrade the service quality of tourism industry</u></p> <ul style="list-style-type: none"> • Stepping up promotion of the “Quality and Honest Hong Kong Tours” and the “Quality Tourism Services” schemes • Promoting quality hospitality riding on the 20th anniversary of the establishment of the “Quality Tourism Services” scheme • Supporting the establishment of HKTB Visitor Centres 	13.7
Total	326.2

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)162

(Question Serial No. 0946)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

There have been criticisms about the Government's practice of engaging a consultancy for virtually all kinds of matters. A case in point is paragraph 119 of the Budget Speech on allocating additional sum for tourism. In this paragraph alone, there are already two initiatives requiring the engagement of a consultancy. Will the Secretary inform this Committee of the following:

1. Why does the enhancement of the facilities of the Hong Kong Wetland Park require that a consultancy study be commissioned? What is the estimated amount of public funds to be spent on commissioning the study?
2. Regarding the so-called "smart tourism" where visitors' travelling experience will be enhanced through the application of technology, what is the estimated amount of public funds to be spent on hiring the consultancy?
3. Is it because of a lack of qualified staff under the Hong Kong Tourism Board (with an expenditure of over \$1 billion in the coming year), Tourism Commission and the Commissioner for Tourism that it is necessary to use funds to commission consultancy studies on the facilities of the Hong Kong Wetland Park and enhancing visitors' travelling experience through the application of technology?
4. Before making a decision to engage a consultancy, will the Secretary consider whether the engagement is absolutely necessary and cost-effective?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 17)

Reply:

The Hong Kong Wetland Park (HKWP), managed by the Agriculture, Fisheries and Conservation Department (AFCD), is an international green tourism facility comprising a 10 000 square metre indoor Visitor Centre and a 60 hectare Wetland Reserve. Since HKWP has been open for more than ten years, a number of exhibition and visitor facilities have become outdated, and have been deteriorating and aging to varying degrees due to normal wear and tear. Hence, AFCD will commission a consultancy study to review the exhibition and visitor facilities of HKWP. The estimated cost of the consultancy study is \$5 million.

In 2019-20, we plan to commission a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong to cater for travel habits and enhance their travel experience through the use of technology. The estimated cost of the consultancy study is \$3 million.

In respect of the review of HKWP's facilities and the development of smart tourism, taking into account that the expertise and qualified staff required for the assignments are not available in the Government, as well as the nature and duration of the assignments, we consider not justify recruiting or training staff specifically for the purposes. Hence, we plan to commission consultancy studies. We will ensure that government's procurement principles of value for money, open and fair competition and accountability apply to the procurement of consultancy services.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)163

(Question Serial No. 0949)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (1) Compared with 2018-19, the financial provision in 2019-20 is substantially increased by \$387.9 million (111.5%). What are the specific expenditure items?
- (2) On the establishment of the Travel Industry Authority, what is the estimated expenditure in the coming year?
- (3) What are the “new initiatives under the Development Blueprint”? How much public money will be spent on each initiative and what are their expected achievements?
- (4) What are the post titles, salaries and scopes of work of the 6 new posts to be created in the new financial year?

Asked by: Hon TSE Wai-chun, Paul (LegCo internal reference no.: 18)

Reply:

The estimate under Programme (6) for 2019-20 is \$387.9 million (111.5%) higher than the revised estimate for 2018-19, which is due to:

- the funding of \$350 million to establish the Travel Industry Authority;
- the additional provision of \$26.8 million to continue to implement the “Development Blueprint for Hong Kong’s Tourism Industry” (the Development Blueprint), mainly for taking forward six new initiatives to promote tourism development, details of which are shown in the following table:

Tourism initiatives to be implemented	Additional funding amount in 2019-20 (\$ million)
<p>Strategy 1: To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</p> <ul style="list-style-type: none"> Allocating additional funding to the Travel Industry Council of Hong Kong (TIC) for strengthening its web-based tourism resource platform about the Belt-and-Road (B&R) related countries and regions and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) cities 	2
<p>Strategy 2: To nurture and develop tourism products and initiatives with local and international characteristics</p> <ul style="list-style-type: none"> Commissioning a consultancy study to review the exhibition and visitor facilities of Hong Kong Wetland Park Enhancing the facilities and services of Ngong Ping Nature Centre to complement the improvement scheme for the hiking trails in the vicinity 	9.2
<p>Strategy 3: To develop smart tourism</p> <ul style="list-style-type: none"> Commissioning a consultancy study on promotion of smart tourism Extending the official smart landing page, “Visit Hong Kong”, to other boundary control points 	4.5
<p>Strategy 4: To upgrade the service quality of tourism industry</p> <ul style="list-style-type: none"> Allocating additional funding to TIC for promoting business co-operation through trade forums or exchange visits in B&R related countries and regions and Greater Bay Area cities, as well as enhancing the service quality of the travel trade through training initiatives 	4
<i>Sub-total</i>	<i>19.7</i>
Other initiatives under implementation	
Supporting the appeal panel under the new regulatory regime of the travel industry, the extension of food truck pilot scheme for two years, and providing additional manpower to implement other on-going initiatives under the Development Blueprint	7.1
<i>Total</i>	<i>26.8</i>

- the remaining increase of \$11.1 million in estimate to cater for the creation of new posts, the impact of pay rise and other operating expenses.

Separately, details of the six new posts to be created under Programme (6) in 2019-20 are as follows:

Rank	Number of post	2019-20 salary provision (\$)	Job nature and area of work
Chief Executive Officer (starting from 1 Jan 2020)	1	361,485*	To support the appeal panel under the new regulatory regime of the travel industry.
Senior Executive Officer (starting from 1 Jan 2020)	1	268,380*	
Executive Officer I (starting from 1 Jan 2020)	1	191,790*	
Senior Executive Officer (starting from 1 Apr 2019)	1	1,073,520	To implement the Development Blueprint.
Executive Officer I (starting from 1 Apr 2019)	1	767,160	
Executive Officer I (starting from 1 Apr 2019)	1	767,160	To replace an existing non-civil service contract position for providing support in promulgating the on-going Meetings, Incentive Travels, Conventions and Exhibitions promotion initiatives.
Total number of posts to be created:	6		

*Remarks: Provision for 3 months

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)164

(Question Serial No. 0872)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the impact of visitors on people's daily life:

1. Is there currently any dedicated unit or staff establishment for handling the above issue under the Commerce and Economic Development Bureau, Tourism Commission or other government departments? If yes, what are the relevant staff establishment and expenditure?
2. What mechanism does the Government currently have in place for co-ordinating responses upon receipt of views from Council Members or the community on the impact of visitors on people's daily life? For example, will the Tourism Commission or the District Officers under the Home Affairs Bureau co-ordinate the responses? If not, will the Government establish a high-level cross-bureaux/departments co-ordination mechanism?
3. In view of the surge in the number of visitors this year and the problems brought to the community in Tung Chung by the commissioning of the Hong Kong-Zhuhai-Macao Bridge, what measures will the Government introduce in 2019-20 to divert visitors and minimise the disturbance caused by visitors to the communities (including but not limited to Tung Chung, Tuen Mun and Kowloon City) known to have been affected?

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 33)

Reply:

The Government has been pragmatic in tackling problems brought about by visitors to Hong Kong to local communities, and maintaining close liaison with the travel trade, Travel Industry Council of Hong Kong (TIC), district personalities, Legislative Council Members,

etc. to implement various targeted mitigation measures. Such measures include encouraging tour coaches to use proper parking spaces, appealing to the trade to observe order when receiving inbound tour groups and use information technology in strengthening control on visitor and vehicular flow, etc. The Tourism Commission, together with relevant Government departments and the TIC, meet with trade representatives from time to time to monitor their arrangements in receiving inbound tour groups.

Furthermore, before peak periods of visitor arrivals, the Tourism Commission will convene inter-departmental meetings to strengthen visitor crowd control measures and endeavour to alleviate the impact brought about by tourist activities to local communities.

On diversion of tourists, the Government will continue to join forces with the Hong Kong Tourism Board and the trade to implement the Development Blueprint for Hong Kong's Tourism Industry promulgated in 2017, which includes nurturing and developing tourism products and initiatives with local and international characteristics to cater for the needs and preferences of different visitor segments and divert tourists to different districts for sightseeing and shopping.

The relevant staffing and expenditure of the Commerce and Economic Development Bureau (including the Tourism Commission) to take forward the aforementioned work have been subsumed within the establishment and provision of the Commerce, Industry and Tourism Branch, and it is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)165

(Question Serial No. 2714)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in paragraph 118 of the Budget Speech that the Government “will strive to bring the edges of local tourism resources into full play and promote our diverse culture with Hong Kong characteristics, with a view to drawing more high-spending overnight visitors from different source markets, and promoting the healthy development of the tourism industry having regard to the receiving capacity of Hong Kong”.

1. Has the Government got any definition of “receiving capacity” regarding tourism internally? If yes, what are the details? If no, how can initiatives/policies be assessed or put forward in terms of “having regard to the receiving capacity of Hong Kong”?
2. Given the idea of “having regard to the receiving capacity of Hong Kong” as mentioned by the Financial Secretary, has the Government conducted any assessment on the receiving capacity of specific facilities (for example, the Mass Transit Railway and other transport services) and districts (for example, Tuen Mun and Sheung Shui) in the territory? If yes, what are the details?
3. Will the Government conduct a new round of research or analysis regarding the city’s capacity to receive tourists for the formulation of corresponding initiatives/policies?
4. What initiatives/policies will the Government roll out in 2019-20 to demonstrate that efforts are made on “having regard to the receiving capacity of Hong Kong”? Please provide the details of the initiatives in a table by projects.

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 34)

Reply:

The tourist receiving capability of a tourism destination depends on many different factors, including the travel modes of visitors from various source markets, the attractions and facilities of the travel destination, the types of tourism products available in the market, etc. Furthermore, there is no universally accepted way to set a cap on tourist receiving capability. The Government will continue to be proactive in enhancing Hong Kong's various ancillary tourism facilities, so as to increase the city's tourist receiving capability and balance the impact of the tourism industry on the economy and people's livelihood.

The Government has been pragmatic in tackling problems brought about by visitors to Hong Kong to local communities, and maintaining close liaison with the travel trade, Travel Industry Council of Hong Kong (TIC), district personalities, Legislative Council Members, etc. to implement various targeted mitigation measures. Such measures include encouraging tour coaches to use proper parking spaces, appealing to the trade to observe order when receiving inbound tour groups, use information technology in strengthening control on visitor and vehicular flow, etc. The Tourism Commission, together with relevant Government departments and the TIC, meet with trade representatives from time to time to monitor their arrangements in receiving inbound tour groups.

Furthermore, before peak periods of visitor arrivals, the Tourism Commission will convene inter-departmental meetings to strengthen visitor crowd control measures and endeavour to alleviate the impact brought about by tourist activities to local communities.

On diversion of tourists, the Government will continue to join forces with the Hong Kong Tourism Board and the trade to implement the Development Blueprint for Hong Kong's Tourism Industry promulgated in 2017, which includes nurturing and developing tourism products and initiatives with local and international characteristics to cater for the needs and preferences of different visitor segments and divert tourists to different districts for sightseeing and shopping.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)166

(Question Serial No. 2715)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Branch will “continue to co-ordinate with relevant government departments and the tourism sector to facilitate the smooth operation of the Hong Kong Wetland Park, Ngong Ping 360 and the peak tramway”. In this connection,

1. what is the yearly number of coach parking spaces in Hong Kong in each of the past 5 years, and the projected yearly number for 2019-20? Please set out the figures by District Council district (18 in total) and major tourist attraction (e.g. Ngong Ping Cable Car Terminal); and
2. what measures will government departments introduce to enhance the visitor receiving capabilities of Ngong Ping, the Hong Kong Wetland Park, Tai O and other new tourist attractions in response to the Hong Kong Tourism Board's intended promotion of these attractions this year? What are the relevant details including expenditures, names of projects and scheduled completion dates?

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 35)

Reply:

From 2015 to 2019, the number of coach parking spaces (including the public parking spaces provided by the Government and the private parking spaces) each year in Hong Kong is tabulated as follows:

Districts	2019	2018	2017	2016	2015
Central & Western	84	84	89	77	67
Wan Chai	130	131	131	133	118
Eastern	368	291	375	370	326
Southern	354	262	279	287	257
Yau Tsim Mong	285	261	266	257	257
Sham Shui Po	435	422	472	427	491
Kowloon City	637	715	834	975	907
Wong Tai Sin	136	136	136	151	169
Kwun Tong	202	200	353	352	377
Tsuen Wan	425	426	396	396	374
Tuen Mun	171	175	175	169	177
Yuen Long	360	346	328	353	353
North	77	79	79	74	74
Tai Po	140	140	141	160	205
Sai Kung	339	339	373	395	598
Sha Tin	219	215	214	233	251
Kwai Tsing	296	252	321	342	260
Island	226	226	226	101	101
TOTAL	4,884	4,700	5,188	5,252	5,362

In accordance with the figures provided by the relevant operating agencies, there are currently 325, 100, 15 and 10 coach parking spaces at Hong Kong Disneyland Resort, Ocean Park, Ngong Ping 360 and Hong Kong Wetland Park respectively. As regards other tourist attractions, many do not have designated coach parking spaces such that coach drivers usually head to the coach parking facilities nearby after loading / unloading tourists at the tourist attractions concerned. Hence, it is difficult for us to quantify the number of parking spaces for the tourist attractions concerned.

The Government attaches great importance to the sustainable and healthy development of the tourism industry. While we strive to bring the edges of local tourism resources into full play and promote our diverse culture with Hong Kong characteristics, with a view to drawing more high-spending overnight visitors from different source markets, and ensuring bringing benefits to the society on one hand, we would also try to minimise the impact of tourism development on the local community.

The Government will continue to maintain close contact with the Hong Kong Tourism Board (HKTb) and the tourism sector to review Hong Kong's tourist facilities and attractions, and take appropriate follow-up actions. In fact, for the promotion of district characteristics, HKTb not only fully consults relevant Government departments and travel trade, but also proactively engages the District Councils to gauge the views of the local residents, and to draw up promotional plan after taking into account the development of the supporting facilities in the districts concerned.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)167

(Question Serial No. 2716)

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

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

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding “consider the views collected during public consultation on the proposed framework for implementing a statutory cooling-off period on beauty and fitness services consumer contracts, with a view to finalising the framework and preparing the relevant legislative proposal”:

1. what are the existing staff establishment and posts involved for the above work?
2. what is the latest timetable for the work, e.g. when will the consultation be concluded and the findings be reported to the Legislative Council/the public, and when will the legislative proposal be introduced?
3. as many members of the public opine that the proposed framework on cooling-off period should cover timeshare contracts, will the Government initially consider expanding the coverage of the cooling-off period?

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 36)

Reply:

The Commerce and Economic Development Bureau (CEDB) is conducting a public consultation on the legislative proposal to stipulate a statutory cooling-off period for beauty and fitness services consumer contracts, in order to collect public views on the scope, definition of trades, exemptions, operational arrangements, and redress mechanism of the cooling-off period etc., to assist the Government in formulating the way forward on the legislative proposal. The public consultation period is from 15 January 2019 to 16 April 2019. We will listen carefully to the views of various sectors on a statutory cooling-off period, and publish a report on the public's views. Depending on the outcome of the

public consultation, we aim at introducing the relevant bill providing for a statutory cooling-off period into the Legislative Council in the 2019-20 legislative session.

The relevant staffing and expenditure of the CEDB to formulate the proposed framework and to draft the relevant legislative proposal have been subsumed within the establishment and provision of the Commerce, Industry and Tourism Branch, and it is difficult to quantify them separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)168

(Question Serial No. 2717)

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

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

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On “facilitating consumers to seek redress through the use of the Consumer Legal Action Fund”, please advise on the following for each of the past 5 years:

1. the respective numbers of applications received and approved under the Fund;
2. the average amount of expenditure for each application approved and, regarding the results, the respective figures on cases settled out of court, successful cases as well as unsuccessful cases; and
3. the annual total expenditure and year-end balance of the Fund.

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 37)

Reply:

The Consumer Legal Action Fund (the Fund) is a trust fund set up with the objective to provide legal assistance to consumers in cases involving significant public interest. The Consumer Council is the trustee of the Fund. The Board of Administrators of the Fund is responsible for the overall administration of the Fund, and it approves or rejects applications based on the recommendations of the Management Committee of the Fund.

In considering applications to the Fund, factors for consideration include whether significant consumer interest and injustice are involved, the number of consumers affected, the chance of success in litigation, and whether there would be deterrent effect on unscrupulous business practices. Legal assistance may be in the form of advice, assistance and representation by solicitor and counsel.

From 2013-14 to 2017-18, the number of applications received by the Fund and the number of the newly assisted cases for each year were as follows:

Year	Number of applications	Number of newly assisted cases
2013-14	23	3
2014-15	21	10
2015-16	9	2
2016-17	16	1
2017-18	13	4
Total	82	20

From 2013-14 to 2017-18, the Fund handled 20 newly assisted cases, and continued to deal with 3 cases which were granted assistance earlier. Of these 23 assisted cases, legal process has been completed for nine cases, including five cases settled out of court and four cases with judgement obtained against the other parties. In addition, six cases were in progress, one application was withdrawn and seven cases where assistance was terminated by the Fund. The average legal cost for each assisted case was \$93,279.

From 2013-14 to 2017-18, the expenditure of the Fund each year and the balance of the Fund were as follows:

	2013-14	2014-15	2015-16	2016-17	2017-18
Expenditure	\$2,450,801	\$2,895,859	\$2,937,877	\$2,465,604	\$1,841,757
Year-end Balance of the Fund	\$15,743,029	\$13,921,645	\$11,285,384	\$8,942,136	\$7,203,085

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)169

(Question Serial No. 2718)

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

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

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2017, the Consumer Council (CC) signed a Memorandum of Understanding on a consumer complaint referral mechanism with the Korea Consumer Agency.

1. What was the number of complaints handled through the mechanism each year since its establishment? What was the number of cases where the dispute was settled? What was the disputed sum in each case on average?
2. Has the CC evaluated the effectiveness of the above cross-border Memorandum of Understanding? If yes, what are the details?
3. Apart from collaborating with the Korea Consumer Agency, has the CC signed, or is it planning to sign, any other similar Memorandum of Understanding with consumer agencies in other overseas countries/territories? If yes, what are the details?

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 38)

Reply:

In May 2017, the Consumer Council (the Council) and the Korea Consumer Agency (KCA) entered into a joint agreement for co-operation to establish a mechanism for information exchange and consumer complaint referral in order to strengthen co-operation in handling cross-boundary consumer disputes. According to the agreement, consumers of the two places can lodge their complaints with the party to the agreement in their respective place of residence, and their cases would be referred to the other party for handling. This helps to overcome the language barrier, geographical and jurisdiction issues that might limit the handling of consumer complaints in the past, and thus enhances the protection of consumers' interests.

From May to December 2017, the Council referred 15 cases to KCA, involving an average of HK\$1,766 per case, of which 13 cases were successfully resolved. During the same period, KCA referred 2 cases to the Council, involving an average of HK\$9,013 per case, of which 1 case was successfully resolved. In 2018, the Council referred 8 cases to KCA, involving an average of HK\$1,622 per case, of which 6 cases were successfully resolved. During the same period, KCA referred 1 case to the Council, involving HK\$3,198, which was successfully resolved.

The Council had a meeting with representatives of KCA in November 2018 to discuss the effectiveness of the case referral mechanism. Both parties agreed that the existing mechanism is effective in helping to handle disputes encountered by consumers in both places. The Council and KCA will study further enhancement to the procedural flow of the case referral mechanism.

In June 2018, the Council and the National Consumer Affairs Center of Japan entered into a joint agreement for co-operation to establish a mechanism for information exchange and consumer complaint referral. The Council will continue to explore opportunities to enter into similar agreements with other countries/territories.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)170

(Question Serial No. 2719)

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

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

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding "further enhance the features of Online Price Watch", please advise:

- (1) on (a) the number of visits to the website, (b) the operating expenditure and (c) the non-recurrent expenditure (for software and hardware updates etc.) in each year since the launch of the Online Price Watch;
- (2) on the details of the planned further enhancement to the features, such as whether the coverage of supermarkets and products will be expanded, and whether a mobile version of the application will be introduced to facilitate consumers; and
- (3) whether an Open Application Programming Interface (Open API) is available in the current Online Price Watch for private companies and start-ups to develop more mobile applications or other products based on the data provided by the Consumer Council.

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 40)

Reply:

The Consumer Council (the Council) launched the "Online Price Watch" in 2008. The current website compares the prices of about 2300 products sold at the online shops of six chain supermarkets and health and beauty stores on a daily basis. The "Online Price Watch" has enhanced the products' price transparency, assisting consumers to make smart consumption choices.

The annual pageviews of the "Online Price Watch" since it was launched in 2008 are as set out in the table below. Data are counted from November of each year to October of the following year.

Year	Annual Pageview
2008-09	406,262
2009-10	270,193
2010-11	413,900
2011-12	633,277
2012-13	1,485,784
2013-14	5,291,986
2014-15	5,792,163
2015-16	5,377,818
2016-17	6,316,731
2017-18	5,228,037

In 2018-19, the Council started the development of a mobile-friendly version of the “Online Price Watch” website, which will be optimised for mobile devices. Capital expenditure involved is \$0.38 million, and an information technology (IT) technical staff provides support to this and other IT development projects. The mobile version of the “Online Price Watch” website is expected to be launched in June 2019, and will be made available for free browsing by the public. At the same time, the Council has been gradually increasing the number and variety of products covered by the “Online Price Watch”. On including new chain stores, when there are overlapping products between the items sold at the online platform of a chained store and those in the “Online Price Watch” website to a certain extent, the Council will consider including the chained store in the scope of survey. After completing the development of the mobile version of the “Online Price Watch” website, the Council plans to update the desktop version website so as to align the browsing experiences between the desktop and mobile versions. The new desktop version is expected to be launched in March 2020.

Open Application Programming Interface is not available in the “Online Price Watch” at this moment. The Council would review the need for and feasibility of providing this function.

The expenditures for software and hardware maintenance and upgrades for the “Online Price Watch” in the past five years are set out in the table below (does not include the above-mentioned capital expenditure for developing the mobile version and a new desktop version). The Council’s manpower and operating expenditures on the “Online Price Watch” are subsumed in the Council’s establishment and the Government’s subvention for the Council. It is difficult to quantify them separately.

Year	Capital Expenditure (\$)
2013-14	57,700
2014-15	27,600
2015-16	69,500
2016-17	41,300
2017-18	65,000

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)171

(Question Serial No. 2720)

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

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

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Consumer Council (CC) has all along been publicly disclosing names of shops which undermine consumer interests through unscrupulous sales practices:

1. Has the Consumer Council (CC) assessed the effectiveness of this “name disclosure” approach in protecting consumer interests? For example, will the number of complaints drop significantly for shops whose names have been disclosed?
2. In regard to those companies whose names have been disclosed, has the CC ever facilitated consumers to seek redress through the use of the Consumer Legal Action Fund? If yes, what are the details?
3. Will the CC review the existing “name disclosure” mechanism, such as disclosing the names of shops which are involved in selling of counterfeit drugs or violating the Trade Descriptions Ordinance, or compile similar shop lists, so as to enhance consumer awareness?

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 41)

Reply:

The Consumer Council (the Council) cautions consumers at large, through the practice of public naming, that a trader has deployed unscrupulous sales practices which is detrimental to the interests of consumers. At the same time, it alerts other traders in the industry to the importance of operating with fair trade practices. The Council’s practice of naming puts the public and tourists on their guard, and has considerable deterrent effect on the traders. Generally speaking, after a trader has been named and reprimanded by the Council, complaints against the named trader would surge within a short period, but due to enhanced consumer awareness, it would often be followed by a decrease in complaints in the relevant industry.

The Consumer Legal Action Fund (the Fund) is a trust fund set up with the objective to provide legal assistance to consumers in cases involving significant public interest. In considering applications to the Fund, factors for consideration include whether significant consumer interest and injustice are involved, the number of consumers affected, the chance of success in litigation, and whether there would be deterrent effect on unscrupulous business practices. When considering whether to approve an application, the Fund will consider the aforementioned factors in accordance with established procedures before making a decision, whether or not the case involves a trader named by the Council.

The Council reviews its naming mechanism and takes improvement measures from time to time. When the Council considers naming, an important factor is whether the trader uses unfair trade practices to operate its business. The Council maintains close communication with the Customs and Excise Department, and exchanges information regarding traders which may be involved in sales of counterfeit drugs or have contravened the Trade Descriptions Ordinance. When there are conviction cases involving counterfeit drugs, the Council would publish the names of the relevant traders in the monthly "CHOICE" Magazine.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)172

(Question Serial No. 2721)

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

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

Programme: (5) Subvention: Consumer Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During regular product tests conducted by the Consumer Council (CC), test samples have been found to be in possible violation of safety standards and other laws from time to time. Such test results would be referred to various government departments such as the Customs and Excise Department and the Electrical and Mechanical Services Department etc. In this regard,

- (1) how many product tests were carried out by the CC in each of the past 5 years?
- (2) how many referrals of these cases were made to government departments? How many product withdrawals and recalls were made due to confirmed violation of relevant laws? Please provide relevant figures by government departments to which referrals had been made and product types of which withdrawals and recalls had been made;
- (3) following the referral of cases by the CC, are the government departments currently required to submit a report to the CC in response? If no, will the Government consider setting up such a mechanism?

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 42)

Reply:

The numbers of product tests conducted by the Consumer Council (the Council) and referrals made to government departments for possible violations of relevant legislation in the past five years are as follows:

Calendar Year	Product Test	Test result referred to government departments
2014	43	No relevant record maintained
2015	42	12
2016	42	13
2017	44	14
2018	44	17

Generally speaking, if test results indicate possible violation of relevant legislation or standards, the Council would arrange the provision of relevant sample information to the relevant government departments (e.g. Customs and Excise Department, Centre for Food Safety, etc.) for follow up. Relevant government departments will take suitable follow-up actions in accordance with relevant legislation. The Council will continue to work closely with various government departments to reduce the risk that any dangerous products may pose to consumers.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)173

(Question Serial No. 2722)

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

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

Programme: (9) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On the work of the Competition Commission (the Commission):

1. does the Government or the Commission have any intentions or plans at this stage to review the enforcement and administration of the Competition Ordinance (CO)? Are there any plans to amend the CO?
2. regarding the "Funding for Competition Commission's litigation work" under Subhead 700 of the Operating Account, the revised estimated expenditure for 2018-19 was \$28.71 million, what were the details of the expenditure and its breakdown by litigation case?
3. what is the estimated expenditure for 2019-20 regarding the funding for the litigation work? Has the Commission evaluated whether the funding provided by the Government is sufficient?

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 43)

Reply:

The competition rules and enforcement provisions of the Competition Ordinance (CO) do not apply to statutory bodies except for the six specified in the relevant Regulation under the CO. The Government has undertaken to review this arrangement three years after the full commencement of the CO. The CO has now been in full operation for three years since December 2015 and the Government has commenced the review as scheduled.

To support the Competition Commission (the Commission)'s litigation work, we have since 2018-19 set up a dedicated funding of \$238 million, which is shown as "Funding for Competition Commission's litigation work" under Subhead 700. The Commission's revised estimated litigation expenditure in 2018-19 is \$28.71 million, and mainly covered the costs for engaging external solicitors and counsels as well as in-house litigators.

In addition to the litigation funding of \$28.71 million, the Government provided \$104.7 million to the Commission in 2018-19 to support its daily operation.

According to the Commission's estimation, its litigation expenditure in 2019-20 will be \$40.9 million, to be allocated from the dedicated funding of \$238 million mentioned above. In case the Commission's litigation expenditure in 2019-20 exceeds \$40.9 million, the Government will provide additional fund to the Commission from the dedicated funding.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)174

(Question Serial No. 1004)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government advise this Committee on:

- (1) the details of the web-based tourism resource platform about Belt and Road related countries and regions and Greater Bay Area cities, including its commencement date, as well as the manpower and expenditure required for setting up the platform;
- (2) the products launched since the introduction of multi-destination tourism, broken down by year. Is there any mechanism for the Government to assess the effectiveness of the products in boosting the number of visitors and overnight visitors?

Asked by: Hon WONG Kwok-kin (LegCo internal reference no.: 21)

Reply:

The Government allocated funding of \$3 million in the 2018-19 Budget to support the Travel Industry Council of Hong Kong (TIC) in developing a web-based tourism resource platform about Belt and Road related countries and regions and Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) cities, so as to provide relevant information and facilitate the trade's development of more tourism products. The TIC is pressing ahead with the development of the platform, which is expected to be officially launched in the fourth quarter of 2019.

In order to encourage the trade to develop more thematic tourism products, the Government suggests allocating additional funding in the 2019-20 Budget to support the TIC in strengthening the web-based tourism resource platform. The additional funding concerned is \$10 million from 2019-20 to 2021-22. The Government and the TIC will formulate details of the initiative, including how to expand the platform's content and enhance its

functions. The relevant staffing of the Tourism Commission to take forward the aforementioned work has been subsumed within the establishment of the Commerce, Industry and Tourism Branch, and it is difficult to quantify this separately.

The Hong Kong Tourism Board (HKTB) has been actively promoting the development of multi-destination tourism. Such efforts include through strengthened collaboration with the tourism promotion organisations in Guangdong Province and Macao, jointly promoting the Greater Bay Area tourism brand, as well as multi-destination itineraries and tourism products featuring Hong Kong to overseas travellers. The HKTB will also collaborate with travel destinations nearby to conduct joint promotion in long-haul markets, encouraging travellers in these markets to visit the Greater Bay Area on a multi-destination basis.

In the past three years, the HKTB partnered with Guangdong Province, Macao and other travel destinations in Asia to promote over 200 multi-destination tourism products in various source markets including Southeast Asia, Japan and South Korea. These products mainly combine the diverse travel experiences that Hong Kong offers as a metropolitan city with international delicacies and East-meet-West culture with the distinctive offerings of other travel destinations, such as the traditional Lingnan culture of Guangdong Province, the entertainment offerings and cultural heritage of Macao, the natural landscape of Taiwan and the vacation delights of Thailand.

Since the aforementioned promotion initiatives have been jointly executed by the HKTB's head office and worldwide offices, and subsumed into various promotion programmes of the HKTB, it is difficult to quantify the relevant effectiveness separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)175

(Question Serial No. 0617)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is noted that an additional sum of around \$353 million will be allocated to enable the Hong Kong Tourism Board to step up promotion of Hong Kong's image as a premier tourism destination, entice visitors to experience Hong Kong's local culture in different districts, and enhance publicity on Hong Kong's major festivals and events, etc. Various new initiatives will be rolled out in this regard.

Please advise on the actual distribution of the said provision among the various initiatives. Will these initiatives include promotion and education for tourists on protecting natural landscape and ecology, such as refraining from capture of wild species for food within the National Geopark in Hong Kong? If yes, what are the details? If not, what are the reasons?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 11)

Reply:

The Government has proposed to allocate an additional funding of \$353 million in the 2019-20 Budget to support tourism development, of which \$326 million will be allocated to the Hong Kong Tourism Board (HKTB) for the implementation of the four development strategies set out in the Development Blueprint for Hong Kong's Tourism Industry promulgated by the Government. The proposed resources allocation on various initiatives in accordance with different development strategies are as follows:

Tourism initiatives to be implemented	Additional funding amount in 2019-20 (\$ million)
<p><u>Strategy 1:</u> To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</p> <ul style="list-style-type: none"> ● Stepping up promotion of Hong Kong’s tourism brand in source markets ● Promoting district programmes ● Waiving participation fees of local travel trade in joining overseas promotions ● Participating in overseas promotion events organised by the Hong Kong Trade Development Council ● Launching overseas promotion for new tourism offerings ● Developing new source markets ● Stepping up tourism promotion on multi-destination itineraries by leveraging the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge ● Conducting studies on the business opportunities and travel trends stemming from the Belt-and-Road Initiative, the Guangdong-Hong Kong-Macao Greater Bay Area and new infrastructures ● Participating in China International Import Expo 	131.3
<p><u>Strategy 2:</u> To nurture and develop tourism products and initiatives with local and international characteristics</p> <ul style="list-style-type: none"> ● Implementing Pilot Scheme for Characteristic Local Tourism Events ● Stepping up promotion of green tourism ● Enriching mega events’ content and enhancing promotion of various large-scale events ● Stepping up promotion of MICE tourism ● Stepping up promotion of cruise tourism ● Promoting Hong Kong-Japan Tourism Year 	167
<p><u>Strategy 3:</u> To develop smart tourism</p> <ul style="list-style-type: none"> ● Rolling out initiatives to promote smart tourism ● Revamping discoverhongkong.com website 	14.18
<p><u>Strategy 4:</u> To upgrade the service quality of tourism industry</p> <ul style="list-style-type: none"> ● Stepping up promotion of the “Quality and Honest Hong Kong Tours” and the “Quality Tourism Services” schemes ● Promoting quality hospitality riding on the 20th anniversary of the establishment of the “Quality Tourism Services” scheme ● Supporting the establishment of HKTB Visitor Centres 	13.7
Total	326.2

In promoting green tourism, HKTB always reminds visitors to cherish the great nature and abide by the relevant rules while visiting facilities and venues (such as country parks, Hong Kong UNESCO Global Geopark (Geopark), etc.). Besides, the Agriculture, Fisheries and Conservation Department (AFCD) promotes the protection and proper use of country parks and the Geopark through displaying relevant regulations and visitor codes in the parks, and reminds visitors of the good practices through leaflets, posters, thematic websites, mobile applications, social media as well as publicity and education activities. AFCD will continue to strengthen its publicity and education efforts, and maintain communication with the Tourism Commission to promote to overseas visitors the good practices and codes of green tourism through various channels (including HKTB).

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)176

(Question Serial No. 0619)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

A high-level delegation will be organised to participate in the second Belt and Road Forum for International Co-operation to be held in Beijing in April 2019; the fourth Belt and Road Summit will be co-organised with the Hong Kong Trade Development Council (HKTDC) on 11 and 12 September 2019.

How are these two events different from each other in substance? What is the HKSAR Government's expenditure on the two events?

Besides, high-level business and professional missions to Belt and Road related countries and regions will also be spearheaded in conjunction with HKTDC and the industries.

In this connection, what are the specific arrangements for the relevant activities? What support will the HKSAR Government provide for them? Will similar missions be regularised in future? If yes, what are the details? If no, what are the reasons?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 13)

Reply:

The 2nd Belt and Road Forum for International Cooperation (the Forum) to be organised by the Central Authorities from 25 to 27 April 2019 in Beijing is considered to be the most important external relations event to be held in the country this year. The Forum aims to bring about high quality Belt and Road co-operation, and expects a full exchange of views on the future co-operation plans. The HKSAR Government will form a high-level delegation to participate in the Forum. On the other hand, the Government will continue to co-organise with the Hong Kong Trade Development Council (TDC) the 4th Belt and Road Summit in Hong Kong on 11 to 12 September 2019 to continue to promote and foster Hong

Kong as an international commerce and trading platform for the Belt and Road Initiative (B&RI). Themed under “Hong Kong IN: Creating and Realising Opportunities”, the Summit will continue to feature investment and business matching sessions and one-to-one business matching meetings to encourage business partnerships.

With a view to facilitating enterprises to fully participate in the B&RI, the Commerce and Economic Development Bureau (CEDB) and TDC will from time to time jointly organise business and professional missions to visit Belt and Road related countries and regions. The Secretary for Commerce and Economic Development led a business and professional mission in March this year to Georgia and Hungary, and met with local government officials responsible for commerce and industry, investment and infrastructure development. The delegation gained a better understanding of the latest local market situation, as well as fostered connection and co-operation between Hong Kong enterprises and professional associations with local enterprises thereof. The Belt and Road Office (BRO) of CEDB will plan for visiting other Belt and Road countries later this year, with a view to assisting enterprises/professionals to explore market opportunities.

The above-mentioned work is being taken forward by the BRO as part of its overall efforts in promoting Hong Kong’s participation in the B&RI. The estimated overall expenditure of the BRO for 2019-20 is about \$39.958 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)177

(Question Serial No. 0621)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The HKSAR Government will continue to carry out preparatory work for setting up the Dubai, Moscow, Mumbai and Seoul Economic and Trade Offices ("ETOs"), and to strengthen policy work related to ETOs.

What is the progress the preparatory work for the above ETOs? What is the estimated expenditure involved? Will more ETOs be set up in other regions in future?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 15)

Reply:

The HKSAR Government has been carrying out discussion and preparatory work for setting up the new Economic and Trade Offices (ETOs) in Dubai (United Arab Emirates (UAE)), Moscow (Russia), Mumbai (India) and Seoul (Korea) respectively. Our discussion with the UAE Government on setting up the Dubai ETO is in good progress and has come to a final stage. It is expected that the Dubai ETO will be the second new ETO to be established after the Bangkok ETO by the current-term Government. As regards our plan to set up the new ETOs in Moscow, Mumbai and Seoul respectively, we will continue to discuss with the relevant governments on the detailed arrangements.

Starting from 2019-20, the preparatory work for setting up the new ETOs is mainly taken up by the newly set up ETO Policy Division (the Division) under the Commerce, Industry and Tourism Branch. The Division's work includes discussing with the respective host governments (such as their Consuls General in Hong Kong) on the detailed arrangements of setting up the ETOs, seeking approval from the Legislative Council for the creation of the relevant posts and the required funding, etc. Apart from the preparatory work for setting up the new ETOs, the Division also formulates strategies and plans on expanding the ETO network and enhancing ETOs' functions, coordinates ETOs' inputs to requests from various

bureaux/departments on matters under their respective policy responsibilities, etc. The annual recurrent cost (including personal emoluments and other operating expenses) of the Division is around \$4,713,000.

The ETOs in Berlin, London, Singapore and Tokyo also use their existing resources to provide support for setting up the new ETOs in Dubai, Moscow, Mumbai and Seoul respectively when needed. Their work includes discussing with the relevant government departments in the respective host countries, identifying office premises, etc.

In order to consolidate and enhance Hong Kong's status and importance among our trading partners, we will continue to expand the ETO network, which would also complement the development of the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area. In determining the locations for setting up new ETOs, we will take into account a number of factors including the relevant countries' trade relations with Hong Kong, their economic development potentials, and whether there is scope for Hong Kong to enhance its presence in the regions around the countries.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)178

(Question Serial No. 3108)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The geographical scope of the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) will be further extended to include all economies which have entered into a Free Trade Agreement (FTA) with Hong Kong. The funding ceiling per enterprise under the BUD Fund will be further increased to \$3 million, including \$1 million for the Mainland market and \$2 million for other FTA markets.

Currently, what is the total number of countries and regions that are members of the Association of Southeast Asian Nations and economies having entered into an FTA with Hong Kong? Has the Government estimated the increase in the number of applications and the funding expenditure following the extension of the scope of funding and the increase in the funding ceiling? How can the Government prevent the increase in the number of applications from causing a backlog which would lengthen the time required for funding provision?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 10)

Reply:

So far, Hong Kong has signed eight Free Trade Agreements (FTAs) with 20 economies, i.e. Mainland China, New Zealand, the four member states of the European Free Trade Association (including Iceland, Liechtenstein, Norway and Switzerland), Chile, Macao, the ten member states of the Association of Southeast Asian Nations (ASEAN) (including Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam), Georgia and Australia.

The 2019-20 Budget proposes to inject \$1 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to further extend the geographical scope of the BUD Fund to include all economies which have signed FTAs with Hong Kong, thereby

enabling enterprises to take advantage of the FTAs to explore new markets and new business opportunities; and to further increase the cumulative funding ceiling for each enterprise under the BUD Fund to \$3 million, including \$1 million for the Mainland market and \$2 million for other FTA markets. We will consult the Legislative Council Panel on Commerce and Industry on the proposals and seek funding approval of the Finance Committee.

After the extension of the geographical scope of the BUD Fund and the further increase of the cumulative funding ceiling for enterprises, we expect that the number of applications received and the amount of funding approved will increase. The Trade and Industry Department (TID) has earlier streamlined application procedures for the existing BUD Fund and vetted some applications by circulation. TID is now working with the Hong Kong Productivity Council, the Secretariat of the BUD Fund, to draw up implementation details of the further enhanced BUD Fund. The TID will also redeploy manpower as the need arises to meet the operational needs of the BUD Fund.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)179

(Question Serial No. 3109)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Programme (2) that 23 posts will be created in 2019-20. What are the details of and distribution of expenses for the posts?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 17)

Reply:

A total of 23 posts are planned for creation in 2019–20, with details set out below –

- 18 time-limited posts for four years in SWPMO, including 9 Analyst/Programmer Grade posts, 3 Superintendent of Customs and Excise Grade and 6 Inspector of Customs and Excise Grade posts. These new posts seek to strengthen manpower support for SWPMO to press ahead the implementation of the Trade Single Window project.
- 5 posts, including 3 Trade Officer Grade posts, 1 Executive Officer Grade post and 1 Clerical Officer Grade post, to coordinate the work related to HKSAR's participation in the CIIE.

For the purpose of preparing the 2019-20 estimates of expenditure, a total provision of \$22.358 million has been reserved for the estimated personal emoluments of the above 23 posts.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)180

(Question Serial No. 3110)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The original estimated provision for Programme (2) last year is \$599.7 million, but eventually the actual expenditure is only half of the estimate. What are the reasons for this?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 18)

Reply:

The revised estimate under Programme (2) for 2018-19 is \$299.6 million (-50%) lower than the original estimate for 2018-19. The decrease is largely due to -

- There is no need for the Government to pay the HKMC Insurance Limited (HKMCI) for the Special Concessionary Measures under the SME Financing Guarantee Scheme (SFGS), where the original estimated cash flow requirement is \$277 million. Under the Special Concessionary Measures, the Government is required to pay sufficient amount of funds to the HKMCI in meeting the required payments for default compensations and necessary out-of-pocket expenses. When preparing the cashflow requirement for a year, we will take into account a basket of factors, including the number of applications, default situation, guarantee fees received, cash balance of the operating account, etc., but the actual cash flow requirement may fluctuate every year having regard to the market conditions. In 2018-19, the HKMCI has enough cash flow to meet the required payments for default compensations and necessary out-of-pocket expenses incurred in the year, and hence there is no requirement for cash flow.
- Decrease in expenditure of \$7.9 million on personal emoluments due to vacant posts and staff changes.

- Decrease in expenditure of \$6.7 million originally reserved for the Belt and Road Office.
- As the Economic Trade Office Policy Division will be established in 2019-20, the 2018-19 revised estimate was reduced by \$4.7 million which was originally reserved for the Division (including personal emoluments for additional posts and related operating expenses).
- Decrease of \$2.6 million for the subscription to the World Trade Organization.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)181

(Question Serial No. 3111)

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

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

Programme: (9) Subvention: Competition Commission

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Competition Commission (the Commission) will continue to promote understanding and compliance of the Competition Ordinance (CO) by businesses and the public through campaigns, education programmes, outreach activities, publications, seminars and presentations. However, it is reflected in the Estimates that fewer events, seminars, conferences and exhibitions will be conducted by the Commission. What are the reasons for that and the methods by which the estimates concerned are calculated?

In addition, provision for the Commission will be increased by \$23.1 million (17.3%) on the reason that it is due to the increased provision to support the operations and litigation work of the Commission. What is the expenditure involved for the litigation work and what are the considerations for the estimates concerned?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 23)

Reply:

The Competition Commission has been reaching out to the public and businesses to enhance their understanding of the Competition Ordinance (CO) and encourage compliance through targeted campaigns and outreach activities in various formats. The estimated number of "events, seminars, conferences and exhibitions conducted" include those initiated by the Commission as well as those conducted upon request from stakeholders, such as businesses, trade associations and academic institutes. While the number of events initiated by the Commission in 2019 is expected to be similar to that of 2018, we anticipate that there will be a decrease in the number of requests for briefings/meetings, given the growing awareness and understanding of the CO in general. In 2019, the Commission will continue to proactively reach out to the general public and businesses with its thematic campaigns and educational programmes.

The Commission's budget for 2019-20 includes about \$7.5 million for publicity and public education. This figure is estimated based on the number of campaigns and outreach activities to be conducted as well as educational materials to be produced during the year. However, this figure does not include staff cost and other general expenses which cannot be separately quantified.

The Government provides subvention to the Commission to support its various functions to implement the CO. The total subvention for 2019-20 is \$156.5 million, which includes \$115.6 million for the Commission's daily operation and \$40.9 million for its litigation work. Compared to 2018-19, the increase in subvention is \$23.1 million, \$12.2 million (53%) of which is for supporting the Commission's litigation work. The Commission has taken into account its litigation experience and the expected number of cases in 2019-20 in arriving at the litigation estimate.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)182

(Question Serial No. 3117)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government will continue to promote Hong Kong as a premier intellectual property (IP) trading hub in the Asia-Pacific region this year.

1. What were the manpower and expenditure involved in the relevant work in each of the past 3 years?
2. Please tabulate the annual trading activities of the Asia IP Exchange set up by the Hong Kong Trade Development Council over the past 3 years, including the number of tradable IP rights on the platform, the number of such IP rights by type, the industries covered, the daily or monthly average transaction value involved and the number of successful transactions.
3. As shown on the Internet, the number of visitors to the IP Database for Guangdong, Hong Kong and Macao jointly launched by Guangdong, Hong Kong and Macao is merely over 3 000. Please provide details of its current performance and the manpower and expenditure involved.
4. With a view to achieving the goal of becoming an IP trading hub in the region, the Government will engage in further co-operation with overseas and Mainland markets in the coming year. What are the specific plans and the details and nature of specific activities?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 3)

Reply:

The Government has all along been taking forward a wide range of measures to promote IP commercialisation and IP trading in Hong Kong, and to strengthen Hong Kong's role as an IP trading hub in the Asia-Pacific region. Amongst the various measures, some of them are Government's regular work and have been and will continue to be carried out with existing resources. As regards individual new measures launch in recent years (such as the provision of support services to SMEs, manpower capacity training, and publicity work), the recurrent provision of the Intellectual Property Department has been increased by \$5.4 million as from 2018-19, so that the Department may plan for the relevant work and take forward promotion of IP trading in an on-going manner.

At present, the Asia IP Exchange (AsiaIPEX) has formed alliances with over 35 strategic partners including research centres and technology transfer offices around the world. The AsiaIPEX showcases over 28 000 tradable IP listings, which comprise patent (63% of the listings), copyright (33%), trade mark (3%) and registered design (1%). The IP listings cover industries such as biomedical, electronics, medical, chemical/material, ICT/telecommunication, film, publishing, etc. The establishment of the AsiaIPEX aims to provide a free online IP platform and database to connect IP owners, users and intermediaries, with a view to fostering IP trading. As the online platform does not take part in or handle any business discussion and transaction, the Hong Kong Trade Development Council does not have any information about the relevant transactions and the transaction amount involved.

IPD maintains close contact with the IP authorities of the Guangdong Province and Macao to promote collaboration between the three sides in IP protection, management and trading. The establishment of the "Intellectual Property Database for Guangdong, Hong Kong and Macao" was one of the co-operation items, and it was aimed at providing an online platform for information dissemination. In addition to the database, the three sides also promoted IP protection, management and trading through different channels such as co-organising thematic seminars (e.g. the "Intellectual Property Development of the Guangdong-Hong Kong-Macao Greater Bay Area & the Belt and Road Forum" in 2018) and exchange activities (e.g. a seminar with the theme of "Brand Development of Classic Old Shops/Time-honoured Brands" in 2018) to enhance understanding of the latest development trends in IP protection, exploitation and trading in the Greater Bay Area (GBA) Development by enterprises (in particular SMEs) in the three places and to assist them to develop international brands and enhance competitiveness.

IPD keeps in touch with the industry and stakeholders and collects feedback from participants of the promotion and education activities. In general, the feedback from the participants is positive. As the promotion of IP protection, management and trading in Guangdong Province, Hong Kong and Macao is part and parcel of IPD's overall promotion work, it is difficult to quantify the resources required for such efforts separately.

IPD is committed to building up and fostering deeper collaboration with international and Mainland IP authorities in promoting IP trading and commercialisation of IP. In the coming year, IPD will continue to participate in conferences and seminars organised by international and regional IP organisations (such as World Intellectual Property

Organization and the Asia Pacific Economic Cooperation Intellectual Property Rights Experts' Group), and explore external collaboration opportunities.

With respect to collaboration with the Mainland, to tie in with the GBA Development and the promotion of the development of Hong Kong as an IP trading hub in the Asia-Pacific Region, IPD will continue to collaborate with various cities in the Guangdong Province under the framework of the Guangdong/Hong Kong Expert Group on the Protection of IP Rights in organising a variety of activities to take forward a number of IP co-operation items relating to the GBA Development. Such activities include promoting the development of high-end IP service industries (including arbitration and mediation) and fostering co-operation between IP trading platforms through programmes such as training courses, exchanges and seminars; promoting the sharing of IP information; co-organising the GBA High Value Patent Portfolio Contest with the IP authorities of the Guangdong Province and the Macao SAR; and assisting the business sector in the GBA to develop international brands and enhance competitiveness. Furthermore, IPD plans to continue the production of publicity videos to showcase how enterprises can succeed in commercialising and promoting their IP worldwide by leveraging on the unique advantages of the GBA Development and the opportunities brought by IP trading.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)183

(Question Serial No. 3251)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It has been announced in the Budget that another \$1 billion will be injected into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) this year, following the injection of \$1.5 billion last year. Meanwhile, following the extension of the geographical scope of the BUD Fund from the Mainland to countries in the Association of Southeast Asian Nations (ASEAN) in August 2018, it will be further extended to include all economies which have entered into an Free Trade Agreement (FTA) with Hong Kong, thereby enabling enterprises to take advantage of the FTAs to explore new markets and new business opportunities.

Please advise on the applications for the BUD Fund during the year since the introduction of the measure to extend the geographical scope of the Enterprise Support Programme under the BUD Fund from the Mainland to include the ASEAN countries last year with the respective cumulative funding ceiling for projects at \$1 million. Please explain the applications and the funding approved in the form of a table, including the sectors of the applicants, the target markets and business project details of application cases, and the amounts applied for and approved.

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 52)

Reply:

The Government injected \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in 2018-19, and implemented enhancement measures in August 2018, including extending the geographical scope of the Enterprise Support Programme (ESP) to include the Association of Southeast Asian Nations (ASEAN) markets, providing a cumulative funding ceiling of \$1 million for each enterprise for undertaking projects in the ASEAN markets; and increasing the cumulative funding ceiling for each enterprise for undertaking projects in the Mainland from \$500,000 to \$1 million. Since the

implementation of the enhancement measures and up to the end of February 2019, a total of 183 applications were received for the ASEAN Programme, while a total of 585 applications were received under the enhanced Mainland Programme, representing an increase of 106% as compared to the corresponding period in 2017-2018.

The implementation progress of the BUD Fund since the introduction of the enhancement measures on 1 August 2018 and up to the end of February 2019 was as follows:

	ASEAN Programme	Enhanced Mainland Programme
Number of applications received ^{Note}	183	585
Number of applications approved	42	166
Total amount of grant approved (\$ million)	23.1	92.5
Major beneficiary sectors (listed according to the number of applications approved)	1. Wholesale and retail 2. Import and export trade / Information technology 3. Professional services / Transport and logistics	1. Wholesale and retail 2. Import and export trade 3. Textiles and clothing / Electronics
Major target markets (listed according to the number of applications approved)	Singapore, Malaysia and Thailand	Guangdong Province, Shanghai, Beijing, Shenzhen and Zhejiang Province, etc.
Major project measures (listed according to the number of applications approved)	1. Hiring additional manpower 2. Producing webpage 3. Placing advertisements	1. Hiring additional manpower 2. Placing advertisements 3. Participating in exhibitions

Note: Applications received during the period may not be processed in the same period. The figure also included those applications withdrawn thereafter.

The Programme Management Committee of the BUD Fund will hold a meeting in the end of March 2019 to consider the next round of applications. It is expected that the number of applications approved and the amount of funding approved will increase further thereafter.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)184

(Question Serial No. 3437)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Budget that the Government implemented enhancements to the special concessionary measures under the Small and Medium Enterprises Financing Guarantee Scheme operated by the HKMC Insurance Limited last November, including reducing the guarantee fee rates by 50%, increasing the maximum loan amount to \$15 million, and lengthening the maximum loan guarantee period to 7 years. The Government also extended the application period of the special concessionary measures. The Financial Secretary has decided to further extend the application period of the special concessionary measures under the scheme and the 3 enhancement measures mentioned above to 30 June 2020. With regard to the implementation of the above measures, please provide the following information in tabular form:

1. The number of applications lodged;
2. The total loan amount approved and the loan amount of each application;
3. The sector to which the enterprise belongs in each application; and
4. The enhancement measure(s) from which the enterprise is benefited in each application and the details involved.

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 53)

Reply:

The HKMC Insurance Limited (HKMCI) operates the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) to provide 80% loan guarantees at concessionary fee rates. The Government provides a total loan guarantee commitment of \$100 billion. The special concessionary measures are time-limited special measures. The original application period was 9 months, which was later extended numerous times to the end of June 2019. To further relieve the financing burden of local

enterprises and to assist enterprises in obtaining financing from lending institutions, the Government introduced three enhancement measures in November 2018, including reducing the guarantee fee by 50%; increasing the maximum loan amount from \$12 million to \$15 million; and lengthening the maximum loan guarantee period from 5 years to 7 years. As at the end of February 2019, the HKMCI has received over 16 700 applications and approved over 14 900 of them, involving a total loan amount of about \$60.5 billion and a total guarantee amount of about \$48.4 billion. The average loan size of applications was about \$4 million.

Since the launch of the enhancement measures in November 2018, the number of applications received between December 2018 to February 2019 and the amount of loans involved have increased by 43% and 77% year-on-year respectively (see the table below for details), reflecting the effectiveness of the new measures in assisting enterprises in obtaining financing.

	December 2017 to February 2018	December 2018 to February 2019	Change
Number of Applications Received	400	618	+55%
Number of Applications Approved	378	542	+43%
Total Amount of Loan Involved (HKD)	1.567 billion	2.768 billion	+77%

The number of applications approved under the special concessionary measures from December 2018 to February 2019 by sector is as follows:

Sector	No. of Applications Approved	Percentage of Total Applications Approved
Manufacturing	63	11.6%
Electronics	10	1.8%
Metal Products	8	1.5%
Textile and Clothing	7	1.3%
Plastics	7	1.3%
Others	31	5.7%
Non-manufacturing	479	88.4%
Trading	228	42.1%
Wholesale and Retail	54	10.0%
Engineering	39	7.2%
Construction	25	4.6%
Catering Services	18	3.3%
Others	115	21.2%
Total	542	100.0%

The 50% reduction in guarantee fee is applicable to guarantee fees on qualifying guarantees under the special concessionary measures due and payable on or after 19 November 2018. On the other hand, the increase in maximum facility amount and lengthening of guarantee period are applicable to applications received on or after 19 November 2018 and before the expiry of the application period. Since the loan amounts and guarantee periods of applications are affected by various factors, it is difficult to break down the applications by whether they have benefited from the two mentioned measures.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)185

(Question Serial No. 0820)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Hong Kong has forged 7 Free Trade Agreements (FTAs) with the Mainland, New Zealand, the European Free Trade Association, Chile, Macao, the Association of Southeast Asian Nations and Georgia respectively, and has also concluded negotiations on FTAs with the Maldives and Australia. Regarding the work and effectiveness of Hong Kong's signing of FTAs with other countries/regions:

1. Please provide the total value of trade with Hong Kong and a separate breakdown of trade figures (including export, re-export and import values) by the above 7 countries/regions for: (a) the year before the signing of the respective FTA; and (b) last year.
2. After signing the FTAs with the countries/regions, has the Commerce and Economic Development Bureau (CEDB) deployed any manpower or staffing to follow up on the relevant trade promotion work, with a view to enhancing the effectiveness of the FTAs in promoting trade? If yes, what is the manpower or staffing involved? Are there any examples or detailed information of the work?
3. Apart from the work to "continue to pursue the signing of FTAs with the Maldives and Australia respectively upon completion of the necessary procedures", is the CEDB currently engaging in or planning to engage in discussions on the signing of FTAs with other countries? If yes, please provide in table form information on the countries/regions involved, work progress, as well as the anticipated date of signing the FTAs.
4. What are the expenditure and staffing currently involved in the work on FTAs?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 13)

Reply:

The relevant trade data requested by the question is as follows:

Unit: HK\$ Million

Relevant region/ economy	Year	Total merchandise trade	Domestic exports	Re-exports	Imports
The Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) (signed in 2003)					
The Mainland	2002	1,330,318	41,374	571,870	717,074
	2018	4,473,570	20,475	2,266,828	2,186,267
The Hong Kong, China – New Zealand Closer Economic Partnership Agreement (signed in 2010)					
New Zealand	2009	6,527	115	3,093	3,319
	2018	10,558	49	5,126	5,383
The Free Trade Agreement between Hong Kong, China and the Member States of the European Free Trade Association (EFTA) (signed in 2011)					
Member States of EFTA ¹	2010	76,323	1,723	20,655	53,945
	2018	101,658	1,101	29,293	71,264
The Free Trade Agreement between Hong Kong, China and Chile (signed in 2012)					
Chile	2011	7,058	23	3,854	3,181
	2018	14,760	5	5,916	8,839
The Free Trade Agreement between Hong Kong, China and the Association of Southeast Asian Nations (ASEAN) (signed in 2017)					
ASEAN ²	2016	833,314	7,947	255,924	569,443
	2018	1,069,682	8,426	299,739	761,517
The Hong Kong Special Administrative Region and Macao Special Administrative Region Closer Economic Partnership Arrangement (signed in 2017)					
Macao	2016	47,963	1,651	39,502	6,810
	2018	56,745	1,867	47,482	7,396
The Hong Kong, China - Georgia Free Trade Agreement (signed in 2018)					
Georgia	2017	318	22	269	27
	2018	437	52	354	31

Whenever a free trade agreement (FTA) is signed, the Commerce and Economic Development Bureau (CEDB), Trade and Industry Department, Invest Hong Kong, Hong Kong Trade Development Council (TDC) and relevant overseas Economic and Trade Offices will actively conduct a series of publicity and promotion activities, including organising forum and seminars, participating in exhibitions, launching a dedicated website and distributing promotional leaflets, to introduce the content, preferential measures and related implementation arrangements of the FTA with a view to enhancing its effectiveness in fostering trade. Moreover, the Government collaborates actively with TDC, major chambers of commerce and professional bodies to organise business missions to further promote economic and trade exchanges between Hong Kong and the relevant FTA partner. For example, following the forging of the Hong Kong-ASEAN FTA in November 2017, the Secretary for Commerce and Economic Development led business missions to Cambodia and Vietnam in March 2018 and to Indonesia in April 2018; following the entry into force of the FTA between Hong Kong and Georgia on 13 February 2019, the Secretary for Commerce and Economic Development led a business mission to visit Georgia in mid-March. TDC also organised other business missions, including to Chile in May 2018, and to Malaysia in July 2018, etc. These activities effectively promote trade and

investment flows between Hong Kong and the relevant economies and enhance the effectiveness of the FTAs in promoting trade.

In the Policy Address announced in October 2018, the Chief Executive set out the Government's priorities in signing FTAs in future. Hong Kong is exploring an FTA with the Pacific Alliance³ and plans to seek accession to the Regional Comprehensive Economic Partnership (RCEP)⁴ after its negotiations have been completed. The Government is also exploring with the United Kingdom options for furthering economic ties, including the possibility of an FTA in future.

Forging FTAs with trading partners will not only enable Hong Kong's goods, services and investments to access these markets under more favourable conditions, but also enhance Hong Kong's participation in regional economic integration. We will make every effort to follow up on the various new FTA initiatives set out in the 2018 Policy Address, and will continue to explore possibilities of forging FTAs with other economies.

The expenditure of the above FTA-related work has been subsumed under the overall estimated expenditure of the CEDB and the relevant departments, and cannot be quantified separately.

1 The member states of the European Free Trade Association are Iceland, Liechtenstein, Norway and Switzerland.

2 The member states of ASEAN are Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

3 The member states of Pacific Alliance are Chile, Colombia, Mexico and Peru.

4 The participating economies of RCEP are ten Member States of ASEAN and its six FTA partners, i.e. Australia, Mainland China, India, Japan, Korea, and New Zealand.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)186

(Question Serial No. 0821)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding “continue to take forward the expansion projects of the Hong Kong Disneyland (HKDL) Resort under its expansion and development plan” and the 60-hectare site reserved for the Phase 2 development of the HKDL:

1. What is the progress of the expansion works? Apart from the expansion plan submitted to the Legislative Council, is there any other expansion plan currently being considered by the HKDL?
2. Last year, a private company indicated its intention to construct a flower-themed garden of several hectares on the Phase 2 development site. Please provide information on the progress of the development of the garden, including whether the Lands Department has disposed the site, the date of opening of the garden and the area of development.
3. Has the Commerce and Economic Development Bureau or other government departments/the Chief Executive, held any discussion with the Walt Disney Company (TWDC) to consider constructing transitional housing on the Phase 2 development site? Has there been any discussion with the TWDC to consider relaxing the terms of the Deed of Restrictive Covenant or making special arrangements to facilitate the construction of transitional housing? If yes, what are the details? If no, will the Government open up the discussion with the TWDC?
4. Apart from the flower-themed garden, is there currently any other plan to optimise the Phase 2 development site? Has the Government received any applications from private companies/community groups/public organisations expressing an interest in developing the site? If yes, what are the details?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 14)

Reply:

Currently, Hong Kong Disneyland Resort (HKDL) is actively taking forward its expansion and development plan, and various new attractions are being rolled out progressively between 2018 and the coming few years. The first new attraction of the expansion and development plan, the “Moana: A Homecoming Celebration” stage show, was launched in May 2018, and another new attraction, “Ant-Man and The Wasp: Nano Battle!”, has just commenced operation in end-March 2019. Other new items coming on stream in the next few years include the expanded castle with entirely new daytime and night time shows, as well as the new themed areas based on “Frozen” and “Marvel” superheroes respectively. At this stage, HKDL will focus on implementing its expansion and development plan, with a view to growing its business and preparing for its further development. Also, HKDL explores from time to time different directions of its future development, and there has yet to be any decision.

In 2018, an event organiser expressed interest in developing a flower park at the Phase 2 site (i.e. the reclaimed site to the east of HKDL), and submitted to the Lands Department (LandsD) during September to October 2018 its application for short-term tenancy at the relevant site and initial development plans. The Government will continue to process the application in accordance with the established practice, and LandsD has required the organiser to submit further necessary information for consideration by the relevant policy bureaux and departments.

According to the Option Deed signed between the Government and Hongkong International Theme Parks Limited (i.e. the joint venture with the Government and TWDC as shareholders) in 2000, the joint venture has an Option to purchase the Phase 2 site for taking forward HKDL’s further development. The Phase 2 site can be put to short-term uses before the joint venture exercises the Option, and such short-term uses have to comply with various permitted uses as listed in the Deed of Restrictive Covenant, including recreational, sports and cultural facilities, etc. but not residential use (e.g. transitional housing). At the same time, the Government needs to consider whether the short-term uses of the Phase 2 site are compatible with the use and atmosphere of HKDL. The Government has no intention to change the existing land use arrangements for the Phase 2 site. Furthermore, in the light of the proposed short-term uses of the Phase 2 site recently received, the Government will continue to follow up and discuss with the relevant parties.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)187

(Question Serial No. 0823)

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

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

Programme: (2) Commerce and Industry, (3) Subvention: Hong Kong Trade Development Council

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in Matters Requiring Special Attention in 2019-20 under Programme (3) that the Government will “equip start-ups and a new generation of Hong Kong businesses to become future ready”. However, it makes no mention of any measures to attract manufacturers who have set up their factories in other places to relocate back to Hong Kong or to promote re-industrialisation.

1. On equipping start-ups and a new generation of Hong Kong businesses to become future ready, what are the expenditure and the details of work involved? Are there any work objectives and how will the effectiveness of the relevant work be assessed?
2. While the Hong Kong Trade Development Council (HKTDC) is currently offering assistance to manufacturers in the Mainland in relocating their production bases and back offices to Southeast Asia, has it made any efforts to encourage them to move back to Hong Kong? If yes, what are the details (for example, whether statistics have been compiled or whether there are any successful cases)?
3. Is there any department or manpower establishment in the HKTDC or the Commerce and Economic Development Bureau dedicated to promote re-industrialisation in Hong Kong? If yes, what is the division of work between them and the Innovation and Technology Bureau? If no, will they consider allocating such manpower or setting up such department?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 16)

Reply:

The Hong Kong Trade Development Council (TDC) provides comprehensive support for start-ups through an array of measures. Besides providing information and advisory services, TDC also provides start-ups with commercial platforms through exhibitions, outbound missions, business matching and *hktdc.com*, in order to assist them to connect with potential partners around the world.

In 2018-19, 412 start-ups showcased their innovative ideas and products to buyers worldwide at the *Start-up Zone* set up by TDC at various exhibitions and conventions, representing a 30% increase compared with the previous year. TDC also organised the 10th *Entrepreneur Day* in May 2018 with 276 exhibitors, 130 of which were start-ups. TDC also continued to provide various free services to support small and medium enterprises (SMEs) (including start-ups), such as provision of diverse business information at its SME Centre which attracted over 140 000 visits in the year. The SME Centre also organised 42 workshops and 13 seminars, and provided free business advisory services to about 1 200 SMEs.

In 2019-20, TDC will launch more events and services targeting at start-ups, in order to provide more marketing and entrepreneurial opportunities. TDC will organise an open competition on innovation named *IP Hatch* for start-ups and entrepreneurs. TDC will also cooperate with Cyberport and Hong Kong Science and Technology Park to bring technology start-ups in Hong Kong to participate in the *SmartHK* campaign in Guangzhou. Besides, TDC will launch a start-up mentorship programme and an online start-up community named *Hong Kong Start-up Society*.

The expenditure of the above work has been subsumed under the overall estimated expenditure of TDC, and cannot be quantified separately.

TDC organises various trade promotion events, some of which include the element of “Industry 4.0” and provide platforms for organisations such as the Hong Kong Productivity Council, the Hong Kong Applied Science and Technology Research Institute and the Hong Kong Research Institute of Textiles and Apparel to introduce services and solutions for business transformation and upgrade to Hong Kong companies, regardless of the location of their production lines.

Promotion of re-industrialisation is under the policy purview of the Innovation and Technology Bureau.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)188

(Question Serial No. 0824)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding “continue to closely monitor the trade protection measures adopted by the US and the developments of the trade conflicts between the US and the Mainland and their impact on Hong Kong’s economy”:

1. Presently, is there any specific committee or staffing provision within the Commerce and Economic Development Bureau (CEDB) or the Government tasked with assessing or responding to the developments of the “trade conflicts between the US and the Mainland” and their impact on Hong Kong? If yes, what are the details? If no, will the Government consider setting up one?
2. Have CEDB or other government departments assessed the impact on Hong Kong in the event that the US remove Hong Kong’s status as a separate customs territory? If yes, what are the details? Has there been any strategy formulated at the moment?
3. In view of the US’s comments on Hong Kong’s status as a separate customs territory in recent years, have CEDB or various overseas Economic and Trade Offices (ETOs) contacted representatives of the US Government, Congress or non-government organisations to lobby them on the issue? If yes, please tabulate, in chronological order, the information on the organisations which have been contacted and the relevant details.
4. Apart from the US, other countries have also queried the implementation of one country, two systems in Hong Kong. Have CEDB or various overseas ETOs conducted lobbying on the issue? If yes, please tabulate, in chronological order, the information on the organisations which have been contacted and the relevant details.

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 19)

Reply:

The Government has been closely monitoring developments of the China-United States (US) trade conflict and their impact on Hong Kong economy, and maintaining close communication and exchanging information with the trade, jointly assessing the impact, and discussing with them on how to respond. The expenditure of the above work has been subsumed under the overall estimated expenditure of the Commerce and Economic Development Bureau, Trade and Industry Department and other relevant departments, and cannot be quantified separately.

Article 116 of the Basic Law provides that the Hong Kong Special Administrative Region (HKSAR) is a separate customs territory. Pursuant to Article 151 of the Basic Law, Hong Kong may, using the name “Hong Kong, China”, participate in international organisations, such as the World Trade Organization (WTO) and the Asia-Pacific Economic Cooperation, as a separate member and maintain economic and trade relationships with the other 163 members of the WTO. Hong Kong’s unique status and advantages under “one country, two systems”, a right conferred to the SAR by the Motherland through the Basic Law, have all along been widely recognised and respected by the international community, allowing Hong Kong to establish mutually beneficial collaboration relationship with economies around the world at bilateral and multilateral international trade and economic levels. Following the forging of a free trade agreement (FTA) and an investment agreement between Hong Kong and the Association of Southeast Asian Nations (ASEAN) in November 2017, the signing of an FTA and an investment agreement with Australia on 26 March 2019 is another testimony of the successful implementation of “one country, two systems”.

Through substantive bilateral relations, officials’ mutual visits and participation in international conferences, as well as the regular duties of the overseas Economic and Trade Offices (ETOs), the Government has been explaining to countries around the world the successful implementation of “one country, two systems” since our return to the Motherland, promoting Hong Kong’s unique status under the Basic Law and “one country, two systems” as well as our own various advantages, and exploring room for collaboration. In respect of the US, the Secretary for Justice visited Washington D.C. and New York in July 2018 and met with US government officials and representatives from various sectors, including those from the international arbitration sector and think tanks, to promote Hong Kong as an international legal and dispute resolution services centre in the Asia-Pacific region and to update them on the implementation of “one country, two systems” and the rule of law in Hong Kong. The Secretary for Commerce and Economic Development also led a delegation to visit Washington D.C. in September 2018, during which he met with US government officials, Congressmen, think tanks as well as the business community there, and explained clearly Hong Kong’s unique status under the Basic Law, as well as Hong Kong’s important role in helping its global trading partners in developing markets. The ETOs in Washington D.C., New York and San Francisco have all along maintained regular contact with various sectors in the US, meeting from time to time with relevant government officials, Congressmen and their staffers, think tanks as well as other organisations and individuals to brief them on the latest developments in Hong Kong and to explain to them Hong Kong’s unique status under “one country, two systems” as well as our own various advantages, and to state Hong Kong’s position on issues of mutual concern. Other overseas ETOs have also been maintaining regular contact with individuals of various

sectors in the countries and regions under their respective purviews, clearly explaining the actual situation of Hong Kong and our staunch position in safeguarding “one country, two systems”. The relevant work is part of the regular duties of the ETOs, the work on individual issues cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)189

(Question Serial No. 0826)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2019-20, it is stated that “working with relevant government departments, including the Agriculture, Fisheries and Conservation Department and the Civil Engineering and Development Department, to diversify and promote the green tourism products on offer in Hong Kong through enhancing the tourism supporting facilities of hiking trails, developing a hiking hub in Lantau, as well as commissioning a consultancy study to review the facilities of the Hong Kong Wetland Park”.

- (1) What are the details (including the expenditure involved, project details, commencement date and so on) of “enhancing the tourism supporting facilities of hiking trails” and “developing a hiking hub in Lantau”?
- (2) What measures/mechanisms does the Commerce and Economic Development Bureau (CEDB) have in place to ensure that the works concerned will not damage the natural environment in Lantau?
- (3) In recent years, a number of Mainland tour groups went camping at public beaches or country parks and caused various environmental and hygiene problems, drawing criticism that such activities have violated the purpose of green tourism. Has the CEDB or the Hong Kong Tourism Board (HKTB) noticed similar situation? Have they studied on how to reduce the problems caused by visitors?
- (4) Will the Government explore, in collaboration with HKTB, the Travel Industry Council of Hong Kong (TIC), the tourism sector and the relevant departments, ways to develop similar activities into real “green tourism products”? If yes, what are the strategies?

- (5) Regarding “diversify and promote the green tourism products on offer in Hong Kong”, what are the details?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 23)

Reply:

In order to promote green tourism, the Government has earmarked an annual funding of \$15 million for 5 years from 2018-19 to 2022-23 to enhance the tourism supporting facilities of some popular hiking trails as well as those with tourism appeal potential within country parks. The enhancement works would mainly cover improvement to existing hiking trail network, control of soil erosion at the trails, enhancement of vegetation coverage, addition of lookout points, enrichment of information boards, etc. The Government will enhance the supporting facilities of Dragon’s Back (Shek O Country Park), Peak Trail (Pokfulam Country Park), Wu Kau Tang to Lai Chi Wo (Pat Sin Leng Country Park), Shing Mun Reservoir Walk (Shing Mun Country Park), MacLehose Trail Section 1 (Sai Kung East Country Park) and Lantau Trail Section 2 (Lantau South Country Park), etc. Improvement works have been commenced. The first phase which involves MacLehose Trail Section 1, Peak Trail and Wu Kau Tang to Lai Chi Wo will be completed in the fourth quarter of 2019. Furthermore, the Government will enhance the relevant thematic website and mobile application to provide detailed information on hiking to enrich visitors’ experience. The enhanced website and mobile application are expected to be launched in the fourth quarter of 2019 to tie in with the hiking season.

In addition, the Government has earmarked \$9 million from 2019-20 to 2022-23 for enhancing the facilities of the Ngong Ping Nature Centre by providing interactive display panels and more comprehensive information on the nearby hiking trails. We will also enhance the guided tour service for in-depth visit of the distinctive hiking routes in order to enrich visitors’ experience in visiting the green attractions in the vicinity. The above will complement the improvement scheme of the hiking trails near the Ngong Ping Nature Centre. Such improvement works include improving a section of the Nei Lak Shan Country Trail and Lantau Trail; enhancing information boards; expanding an existing viewing platform and constructing three additional viewing platforms for visitors to look at the Tian Tan Big Buddha, Hong Kong-Zhuhai-Macao Bridge, Hong Kong International Airport and nearby scenery. We are formulating the design of the viewing platforms. The estimated cost of the works will be ascertained upon completion of the detailed design. It is anticipated that the relevant works will commence in end 2019.

The proposed enhancement works above are relatively small in scale. Agriculture, Fisheries and Conservation Department (AFCD) and Civil Engineering and Development Department will consider the potential impact on the environment when finalizing the details of each proposal, in order to avoid or minimize the potential impact of the enhancement works on the natural environment in Lantau.

In view of the increasing popularity of green tourism in recent years, the Tourism Commission (TC) has written to the Ministry of Culture and Tourism, reporting to it the relevant trends and inviting it to, through appropriate channels in the Mainland, remind the Mainland travel trade and tourists to pay attention to certain codes of conduct when participating in green tourism activities in Hong Kong. Such codes of conduct include

using public facilities near campsites in a proper manner, refraining from camping at non-designated camping areas and refraining from any acts that are harmful to the ecological environment, etc. TC has also frequently collaborated with the Guangdong Province Department of Culture and Tourism Unit, the Guangzhou Tourism Administration and the Shenzhen Municipal Bureau of Culture, Sports and Tourism to, through Mainland online media and newspapers, release public notices targeting at Mainland residents who intend to visit Hong Kong, so as to raise their awareness of travelling manners.

Moreover, in promoting green attractions and disseminating other hiking-related information, Hong Kong Tourism Board (HKTB) will remind the visitors to pay attention to relevant codes of conduct when engaging in green tourism activities in Hong Kong, such as personal safety and nature conservation via websites, social media, media and visitor centres, etc., to raise visitors' awareness of travelling manners.

HKTB has been promoting the city's natural scenery to local and overseas visitors, international media and overseas travel trade through digital media, marketing promotions, public relations, visitor centres, hotlines and trade activities. Since 2009, HKTB has been promoting Hong Kong's nature-based green tourism products and countryside landscapes through the "Great Outdoors Hong Kong" platform between November and March each year, covering the Hong Kong UNESCO Global Geopark (Geopark), hiking trails and itineraries featuring the outlying islands, as well as guided tours and green tourism products organised by the travel trade or other organisations.

To diversify the city's green tourism products portfolio, an enhanced platform entitled "Great Outdoors Hong Kong 2019: Hong Kong Back Garden" will be introduced in 2019-20 to promote Hong Kong's hidden green treasures under five themes to visitors, namely the spectacular super volcano in Hong Kong UNESCO Global Geopark, the pristine beaches and picturesque reservoirs, the enchanting sunset, the eye-opening biodiversity, and the traditional fishing village, to enhance visitors' experience in Hong Kong.

In addition, TC has invited the Hong Kong Ocean Park, in collaboration with AFCD, HKTB, World Wide Fund-Hong Kong and Ngong Ping 360, to take a lead in developing and implementing a Study Excursion Programme (the Programme) covering eco and cultural attractions in Hong Kong. The Programme has been rolled out in Japan in late 2018 and will be promoted to Mainland cities and nearby countries.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)190

(Question Serial No. 0828)

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

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

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding overseas duty visits made by the Secretary, please provide the following information:

1. details of overseas duty visits made by officials of the Commerce and Economic Development Bureau in 2018-19, including the dates, destinations, purposes, key itineraries, various expenses, as well as officials or/and organisations met during the visits;
2. any plans for overseas duty visits by the Secretary in 2019-20;
3. will the Secretary give special consideration to visiting the United States or the United Nations again, having regard to the development of the China-US trade conflict and its impact on Hong Kong's economy?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 25)

Reply:

Relevant information of the overseas duty visits of the Secretary for Commerce and Economic Development in 2018-19 (as at 28 February 2019) is as follow -

Date of overseas duty visit (Number of visits)	Place of duty visit	Purpose of overseas duty visit	Total expenditure
2018-19 (as at 28.2.2019) (13 times)	Greater Bay Area cities, Indonesia (Jakarta), Papua New Guinea (Port Moresby)*, Beijing*, France (Paris and Burgundy), the Netherlands (Amsterdam), USA (Washington), Canada (Ottawa and Montreal), Shanghai*, Japan (Tokyo), Shenzhen*, Switzerland (Davos) and Thailand (Bangkok)*	Attending international conferences (e.g. informal ministerial meetings of the World Trade Organisation and ministerial meetings of Asia-Pacific Economic Cooperation), attending bilateral and multilateral meetings and events; providing updates on Hong Kong's latest economic development; promoting Hong Kong's role in the Belt and Road Initiative; promoting business opportunities and overall image of Hong Kong; meeting with chambers of commerce, related organisations and Hong Kong people.	About HK\$563,000

* The visit received sponsorship (such as hotel accommodation and/or local transportation) offered by government agencies / organisers of conferences or events, but the actual value of the sponsorship is not available.

In 2019-20, overseas duty visits conducted by the Secretary for Commerce and Economic Development (SCED) will include attending international trade conferences and visiting various markets (including the Belt and Road region) in order to provide updates on Hong Kong's latest development and to support the business sector in exploring new markets.

When drawing up SCED's visit plan, we take into account a number of factors, including the latest development of the global trade and economic environment and our trading partners, as well as Hong Kong's economic development strategies, etc.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)191

(Question Serial No. 3605)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the formulation of “policies to attract more external direct investment into Hong Kong”, please provide the following information:

1. the policies formulated by the Commerce and Economic Development Bureau (CEDB) over the past 5 years and the proposed policies for the coming year (please set out in table form);
2. the breakdown of the annual amount of external direct investment by industry over the past 5 years; and
3. whether the CEDB has evaluated the effectiveness of its policies (e.g. the additional amount of direct investment that is related to such policies).

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 60)

Reply:

To attract external direct investment into Hong Kong, the Commerce, Industry and Tourism Branch, through its investment promotion agency, Invest Hong Kong (“InvestHK”), attracts and assists overseas, Mainland and Taiwan companies to set up and expand their operations in Hong Kong and promotes Hong Kong’s advantages as the leading international business location in Asia. InvestHK focuses its efforts on attracting companies in priority sectors with potential to contribute to Hong Kong’s economic development, and encouraging multinational companies to locate their global or regional headquarters and other strategic functions in Hong Kong.

Based on the figures provided by the Census and Statistics Department, breakdown of Hong Kong’s direct investment inflow in 2013 to 2017 is as follows :

	Direct investment inflow during the year (HK\$ billion)				
	2013	2014	2015	2016	2017
Investment and holding, real estate, professional and business services	358.0	496.8	1,144.4	509.2	537.9
Banking	110.6	130.4	116.7	143.3	128.1
Import/export, wholesale and retail trades	57.1	138.3	33.7	98.3	88.4
Financing (except banking, investment and holding companies)	13.3	29.1	5.7	60.8	54.8
Construction	9.6	12.4	37.1	27.5	28.1
Insurance	5.1	38.5	7.9	31.8	27.5
Transportation, storage, postal and courier services	0.7	6.6	-5.5	-1.1	-7.5
Information and communications	4.6	8.0	-0.9	15.3	4.4
Manufacturing	8.2	3.3	11.4	3.3	5.5
Accommodation and food services	2.6	0.1	-12.2	2.7	-0.2
Others	6.5	13.1	13.2	20.0	-4.4
Total	576.2	876.5	1,351.5	911.2	862.6

Notes :

- Compiled based on the “directional principle” in accordance with international statistical standards.
- Individual figures may not add up to the total due to rounding.
- Negative inflow does not necessarily relate to equity withdrawal. It may be the result of repayment of loans owed to non-resident affiliates.

Outcome of InvestHK's investment promotion effort, as indicated in the number of investment projects completed, direct investment of the projects and jobs to be created in the first year of the projects in 2014 to 2018, is as follows:

	2014	2015	2016	2017	2018
Number of investment projects completed*	355	375	391	402	436
Direct investment of the projects (billion) #	\$8.9	\$10.1	\$16.3	\$16.6	\$23.0
Jobs to be created in the first year#	2 681	3 641	3 968	5 098	5 268

* Investment projects each resulting in an overseas, Mainland or Taiwan company setting up or undergoing a significant expansion in Hong Kong with the assistance of InvestHK.

Figures provided by the companies assisted by InvestHK on a voluntary basis.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)192

(Question Serial No. 3606)

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding “continuing to plan for new convention and exhibition facilities”,

1. What is the current progress of the redevelopment of the sites of the 3 government towers in Wan Chai North and Kong Wan Fire Station for convention and exhibition (C&E) use?
2. In view of the excessive settlement and other problems that have recently occurred in the works under the Shatin to Central Link (SCL) project near the Exhibition Centre Station, will there be any changes to the plan to construct a new convention centre above the Exhibition Centre Station, such as delay in the implementation of the plan for the convention centre?
3. It is mentioned in the Policy Address that the Government will discuss with the Airport Authority Hong Kong (AAHK) the Phase Two Expansion plan of AsiaWorld-Expo (AWE). Has the Commerce and Economic Development Bureau (CEDB) commenced discussion of the expansion plan with the AAHK? What are the manpower and ranks of the officials involved?
4. What is the Government's latest assessment of the supply and demand of C&E venues? What are the details of the current projection of the supply of C&E venues in the coming decade? Please set out the details such as locations, estimated floor areas to be provided and commissioning dates with a breakdown by venue.

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 61)

Reply:

The Chief Executive announced in the October 2017 Policy Address that the Government will develop Wan Chai North into a convention and exhibition (C&E) hub in Asia. To this end, we are actively taking forward the redevelopment of the three government towers in Wan Chai North and Kong Wan Fire Station into C&E facilities, hotel and office. Due to the massive scale of the relocation, which involves 29 government departments and the Judiciary with over 10 000 staff, as well as the time required to construct various new government buildings for relocation, the relocation exercise is being taken forward in phases. The West Kowloon Government Offices is the first completed relocation project, and the departments concerned have moved in from January this year in phases. Other relocation projects are being taken forward as planned. We expect that the relocation would be completed by 2026 at the earliest for vacating the sites for the development of C&E facilities, hotel and office.

We are also coordinating the topside development of the Exhibition Centre Station of the Shatin to Central Link with relevant bureaux and departments.

The Airport Authority (AA) completed the acquisition of the private interest in AsiaWorld-Expo (AWE) in September last year, providing room and opportunities to better leverage the advantages of the existing AWE in hosting C&E events. In addition, we will discuss with AA on the Phase Two expansion plan of AWE to further increase the supply of C&E facilities in Hong Kong, so as to strengthen the competitiveness of our C&E industry.

Planning for new C&E facilities is part of the work of the Commerce, Industry and Tourism Branch of the Commerce and Economic Development Bureau, which is carried out by existing staff and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)193

(Question Serial No. 3607)

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

Subhead (No. & title): (-)

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the cap on the import and export declaration charge (TDEC) at \$200 with effect from 1 August 2018, the Commerce and Economic Development Bureau mentioned to a Legislative Council panel that such an initiative would save the trade \$458 million and benefit 900 000 TDEC cases involving goods at a value above \$1.644 million. Besides, putting a cap on the TDEC can promote the high value-added logistics services. Given that the Government has capped the TDEC since 1 August 2018, please provide the following information:

1. the effectiveness of the initiative at present, and whether expected results have been achieved;
2. concerning, particularly, the import and export of goods in the high value-added logistics industry, whether the volume of import and export of high-value goods as well as the value of goods have increased after the implementation of the above initiative; and
3. whether any enterprises have set up or expanded relevant businesses (e.g. regional distribution centres) in Hong Kong after the implementation of the above initiative.

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 62)

Reply:

The monthly volume and value of goods imported to and exported from Hong Kong are affected by many different factors. In any case, since the cap on TDEC charge at \$200 has taken effect on 1 August 2018, the Government has received around 470 000 TDEC cases involving goods with value higher than \$1.644 million for the six-month period up to 31 January 2019. The measure saved the trade more than \$303 million in terms of TDEC

charge. Insofar as this six-month period is concerned, the number of TDEC cases which had benefitted from the measure and the amount of TDEC charge saved for the industry are both higher than the amount originally expected (if calculated on a monthly average).

For the six-month period, between August 2018 and January 2019, the number of TDEC cases involving goods with value higher than \$1.644 million (around 470 000 cases) dropped by 4% when compared with the same period in 2017-18. However, it is worth noting that the total value of goods covered by these cases is around \$3,480 billion, representing an increase of 13% when compared with the same period in 2017-18.

Hong Kong, as a trading and logistics centre, attracts from time to time companies located outside Hong Kong to set up or expand related businesses in Hong Kong to explore new business opportunities. For example, according to statistics from the Census and Statistics Department, the number of regional headquarters, regional offices and local offices with parent companies located outside Hong Kong and with “transportation, storage and courier services” as the major line of business in Hong Kong, reached 604 in June 2018, which represents an increase of 4.5% over the previous year. Although the latest figure after August 2018 (i.e. after the measure to cap the TDEC charge at \$200 took effect) is not yet available, we consider the relevant measure can further reduce the cost of importing and exporting high-value goods to and from Hong Kong, encourage the trading and logistics industry to move up the value chain, and enhance Hong Kong’s advantage as a trading, storage, logistics and distribution hub for high-value goods.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)194

(Question Serial No. 3609)

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

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

Programme: (4) Posts, Competition Policy and Consumer Protection

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding “continue to ensure the smooth operation of the Post Office Trading Fund and improvement in customer service and productivity where appropriate”, a number of post offices have been providing for the elderly EPS cash withdrawal service without the requirement to make purchases (cash withdrawal service for the elderly) since last year.

1. What are the total number of cash withdrawal transactions handled by each such post office, the total transaction amount, and the average amount of cash per transaction since the launch of the cash withdrawal service for the elderly?
2. At present, what is the non-recurrent expenditure (including expenses on system installation and yearly system maintenance) on the provision of cash withdrawal service for the elderly for each such post office? What is the recurrent expenditure?
3. Is there currently any plan to extend the cash withdrawal service for the elderly to more post offices? If yes, what are the details? If no, what are the reasons?
4. What will be the Post Office's work on “improvement in customer service” in 2019-20?

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 64)

Reply:

As of 9 March 2019, Hongkong Post (HKP) has processed 179 transactions for cash withdrawal service without purchases for senior citizens. The total amount of the transactions is \$79,800 and the average amount is about \$446. The total non-recurrent expenditure for providing the service was about \$240,000 while the recurrent expenditure is

minimal. HKP plans to extend the service to all post offices, covering a total of about 160 postal service points (including the Mobile Post Offices). HKP is now discussing with EPS Company on the operational details.

To enhance customers' experience, HKP will implement a number of measures in 2019-20, including -

- setting up more iPostal Stations to provide the public with greater flexibility in collecting mail items;
- replacing all the existing Electronic Stamp Vending Machines with new Postage Label Vending Machines (PLVM). The PLVM will provide postage enquiry function and postage labels with more preset values;
- sending a short message to the addressee (if mobile phone number is available) before the delivery of an inward Speedpost item, so that the addressee can better keep track of the delivery arrangement;
- improving the collection arrangement for underpaid mail items, by providing information about the item on the collection card/letter to facilitate the addressee or sender to decide whether or not to collect the item; and
- publishing on HKP's website the busy hours of individual post offices, to facilitate members of the public to visit post offices at appropriate times.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)195

(Question Serial No. 4661)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding continued monitoring of the implementation of pilot schemes by the Hong Kong Tourism Board on promoting in-depth green tourism, attracting transit passengers and supporting tourism events showcasing Hong Kong's local characteristics:

What are the details of the products/projects approved under each of these pilot schemes since their implementation? Please tabulate details of the schemes, including project titles, granted organisations/agents, project descriptions and amounts of funding.

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 113)

Reply:

With the additional funding granted in the Budget in 2017-18, Hong Kong Tourism Board (HKTB) rolled out four pilot schemes, namely, the Pilot Scheme to Promote In-depth Green Tourism, the Hong Kong Transit Programme, the Extended Stay Programme, and the Pilot Scheme for Characteristic Local Tourism Events.

• **Pilot Scheme to Promote In-depth Green Tourism**

In 2017-18, the government allocated \$5 million to launch the Pilot Scheme to Promote In-depth Green Tourism, aiming at providing subsidy for the travel trade to develop in-depth green tourism products. Five green tourism products were subsidised and launched in January 2018. Details are as follows:

Products	Descriptions	Applicants
Rock Academy – Sai Kung Volcanic Rock Region	Sharp Island, Volcano Discovery Centre and Lions Nature Education Centre	HS Travel International Company Limited
Geopark Boat Tour: Sai Kung Islands	Kau Sai Chau, High Island, Jin Island and Sharp Island	ECO Travel Limited
Lantau South In-depth Agriculture Fishery and Heritage Tourism	Shek Pik Reservoir, Tai-O, Yi-O, Fan Lau Fort	Eastern Coast Travel (HK) Ltd
Lai Chi Wo Hiking Tour	Wu Kau Tang, Sam A Tsuen and Lai Chi Wo	Walk Hong Kong Ltd
Geopark Hiking Tour	High Island Reservoir East Dam, Pak Lap and Tung A	Walk Hong Kong Ltd

- **Hong Kong Transit Programme and Extended Stay Programme**

In 2017-18, the Government allocated a total of \$12 million to launch the Hong Kong Transit Programme and the Extended Stay Programme, aiming at drawing more visitors to and increasing their spending in Hong Kong. In collaboration with local airlines, the Hong Kong Transit Programme provides subsidy to travel trade to offer attractive products to transit visitors. Four products were launched in September 2017. Details are as follows:

Products	Descriptions	Applicants
360 Transit in Lantau	Round-trip cable car tickets in Standard/Crystal Cabin (with express booking) and entrance to Stage 360, Motion 360 and Walking with Buddha.	Ngong Ping 360 Limited
Flash Visit Hong Kong Disneyland	Round-trip shuttle transfer between the airport and Hong Kong Disneyland as well as a 1-day ticket to the theme park.	HS Travel International Company Limited
Relax at Disneyland Walt's Cafe	Round-trip shuttle transfer between the airport and Hong Kong Disneyland as well as a lunch or afternoon tea at Disneyland Walt's Café.	HS Travel International Company Limited
Airport Express Same-Day Return Ticket (Hong Kong Station)	Airport Express Same-Day Return Ticket at Hong Kong Station.	Airport Express (MTR Corporation Limited)

In collaboration with local airlines, the Extended Stay Programme provides subsidy to travel trade to provide free tourism products to visitors staying in Hong Kong for three nights or more. Four products were launched in September 2017. Details are as follows:

Products	Descriptions	Applicants
Old Hong Kong Experience	Old Hong Kong Walking Tour and the DukLing Harbour Cruise.	HS Travel International Company Limited
Hop-on, Hop-off Open Top Bus Sightseeing Tour	Classic Ticket for the Sightseeing Tour (1-day ticket).	The Big Bus (Hong Kong) Company
Deluxe Hong Kong Island Combo	The package includes: - Deluxe Hong Kong Island Tour - One-way Airport Express Ticket from the Airport to city centre (Hong Kong Station/Kowloon Station) - 3-day Local mobile data pass with 1 GB data and 25 minute air time.	Gray Line Tours Of Hong Kong Ltd
Kowloon Cultural & Life Tour	A local culture tour with locations including: Chi Lin Nunnery, Nan Lian Garden, Bird Garden and Flower Market.	Jetway Express Ltd

- **Pilot Scheme for Characteristic Local Tourism Events**

In 2017-18, the Government allocated \$12 million to implement the Pilot Scheme for Characteristic Local Tourism Events to provide funding support to registered non-profit-making organisations for staging events showing local characteristics with the potential to become attractive events with tourism appeal. The scheme was rolled out in January 2018, where two items were subsidised up till now. Details are as follows:

Events	Descriptions	Applicants
Apleichau Hung Shing Culture Festival	Through different rituals in the Festival such as the release of water lanterns into the sea, dragon boat parade, Hung Shing Festival parade, traditional processions and variety shows, etc., visitors can experience the traditional Chinese festival and culture.	Apleichau Kai Fong Tung Hing Association
Yu Lan Cultural Festival 2018	By participating in the Festival, visitors can experience the culture of paying respect to the deities and showing filial piety.	Federation Of Hong Kong Chiu Chow Community Organizations Charity Funds Limited

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)196****(Question Serial No. 0837)**

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

Subhead (No. & title): (001) Salaries

Programme: (1) Director of Bureau's Office

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the salaries, allowances, job-related allowances and related expenses to be incurred by the Office of the Secretary for Commerce and Economic Development in 2019-20, please tabulate the following information:

- (1) the (i) salaries, (ii) allowances, (iii) job-related allowances, (iv) Mandatory Provident Fund (MPF) contribution and (v) Civil Service Provident Fund contribution of (a) the Secretary for Commerce and Economic Development (SCED), (b) the Under Secretary for Commerce and Economic Development (USCED) and (c) the Political Assistant (PA) to SCED in this financial year;

	(i) Salaries	(ii) Allowances	(iii) Job-related allowances	(iv) MPF contribution	(v) Civil Service Provident Fund contribution
(a) SCED					
(b) USCED					
(c) PA to SCED					

- (2) the estimated expenditures on allowances for (a) SCED, (b) USCED and (c) PA to SCED in this financial year, including the following five categories of expenditures: (i) their medical and dental benefits, (ii) the medical and dental benefits of their spouses, (iii) their leave passage allowances, (iv) the leave passage allowances of their spouses and (v) cars and chauffeur services;

	(i) Medical and dental benefits	(ii) Medical and dental benefits of spouses	(iii) Leave passage allowances	(iv) Leave passage allowances of spouses	(v) Cars and chauffeur services
(a) SCED					
(b) USCED					
(c) PA to SCED					

- (3) the estimated expenditures on job-related allowances for (a) SCED, (b) USCED and (c) PA to SCED in this financial year, including the following three categories of expenditures: (i) official entertainment, (ii) passage for duty visits and (iii) security arrangements.

	(i) Official entertainment	(ii) Passage for duty visits	(iii) Security arrangements
(a) SCED			
(b) USCED			
(c) PA to SCED			

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 62)

Reply:

The provisions reserved for the salary in respect of the positions of Secretary for Commerce and Economic Development (SCED), Under Secretary for Commerce and Economic Development (USCED) and Political Assistant (PA) to SCED for 2019-20 are \$4.08 million, \$2.65 million and \$1.02 million respectively. The provisions for the Mandatory Provident Fund contribution for each of these three positions are \$18,000.

The provisions reserved for official entertainment and overseas duty visits for our Office of the Director of Bureau (including SCED and other officials of the Office) for 2019-20 are \$0.158 million and \$1.57 million respectively.

SCED, USCED and PA to SCED and their families are entitled to the same medical and dental benefits available to civil servants and their families. The Director of Bureau is provided with free use of a car together with a driver at his discretion in Hong Kong. The use of government car by the Deputy Director of Bureau and Political Assistant to Director of Bureau shall be governed by rules and regulations applicable to civil servants at comparable levels.

As regards the leave passage allowances, regularly-paid allowances, job-related allowances, Civil Service Provident Fund contribution and security arrangements, no provisions are made for the above three positions.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)197****(Question Serial No. 1504)**

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2016-17 financial year, the Government allocated \$10 million to the Travel Industry Council of Hong Kong for the introduction of the Pilot Information Technology Development Matching Fund Scheme for Travel Agents (the Pilot Scheme). In this regard,

- (1) please tabulate the amount of funding approved, funding amount used and number of applications approved every year since the introduction of the Pilot Scheme:

Year	Amount of Funding Approved	Funding Amount Used	No. of Applications Approved

- (2) How much funding will be earmarked for the Pilot Scheme in 2019-20? What measures will be taken to improve the Scheme?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 5)

Reply:

The Government allocated \$10 million in the 2016-17 Budget to launch the Pilot Information Technology Development Matching Fund Scheme for Travel Agents, through the Travel Industry Council of Hong Kong (TIC), to subsidise small and medium-sized travel agents, on a matching basis, to make use of information technology so as to enhance the competitiveness of the industry.

In view of the positive feedback of the trade, the Government allocated an additional funding of \$30 million in the 2018-19 Budget to the TIC for enhancing the Scheme. With effect from July 2018, the maximum number of projects to be funded for each travel agent has been increased from 1 project to 2 projects, one of which must be about adoption of the e-levy system and/or enhancement of the security of the IT system, so as to encourage more small and medium-sized travel agents to make use of information technology.

Since the launch of the Pilot Scheme in July 2016, the funding approved, the funding disbursed and the number of applications approved are as follows:

Year	Funding Approved in that Year (\$ million)	Funding Disbursed in that Year* (\$ million)	No. of Applications Approved in that Year
2016 (From July onwards)	1.58	0	17
2017	6.95	0.44	74
2018	4.31	2.81	50

* In general, the Pilot Scheme is open for applications around every 4 months. Each round of applications lasts for 2 months. After the end of each application period, the TIC convenes a vetting committee meeting to vet the applications. Each successful travel agent is required to submit the required quotations to the TIC within 2 months upon notification of the vetting result and enter into a funding agreement with the TIC. The travel agent is required to complete the project within 12 months, and, within 3 months thereafter, submit to the TIC a completion report and audited accounts. Funding will only be disbursed to the travel agent upon the TIC's acceptance of the completion report and audited accounts.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)198

(Question Serial No. 1505)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In respect of developing a new web-based tourism resource platform about Belt and Road related countries and regions and Greater Bay Area cities, please advise on:

- (1) the funding amount approved for the platform;
- (2) the development progress and implementation timetable of the platform;
- (3) the functions and objectives of the platform.

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 6)

Reply:

The Government allocated funding of \$3 million in the 2018-19 Budget to support the Travel Industry Council of Hong Kong (TIC) in developing a web-based tourism resource platform about Belt and Road related countries and regions and Guangdong-Hong Kong-Macao Greater Bay Area cities, so as to provide relevant information and facilitate the trade's development of more tourism products. The TIC is pressing ahead with the development of the platform, which is expected to be officially launched in the fourth quarter of 2019.

In order to encourage the trade to develop more thematic tourism products, the Government suggests allocating additional funding in the 2019-20 Budget to support the TIC in strengthening the web-based tourism resource platform. The additional funding concerned is \$10 million from 2019-20 to 2021-22. The Government and the TIC will formulate details of the initiative, including how to expand the platform's content and enhance its functions.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)199

(Question Serial No. 1506)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In arranging visits for Hong Kong travel agents to the Greater Bay Area to deepen co-operation with the Mainland trade and open up related business opportunities, what visits were organised in 2018? What was the expenditure involved? What will be the specific plans for the future?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 7)

Reply:

The Government allocated funding in the 2018-19 Budget to support the Travel Industry Council of Hong Kong (TIC) to arrange visits for Hong Kong travel agents to different cities of the Greater Bay Area to strengthen co-operation with the Mainland trade and explore related business opportunities. The TIC organised 3 visits to various Greater Bay Area cities in July and November 2018, and January 2019 respectively, involving a total expenditure of about \$1 million.

The Government suggests allocating funding in the 2019-20 Budget to support the TIC to organise trade forums or exchange visits to promote business co-operation in Belt and Road related countries and regions and Greater Bay Area cities. The Government and the TIC will start preparations, including confirming the activities involved, the timetable and other details.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)200****(Question Serial No. 1508)**

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please list in the following table the expenditure incurred and the enhancement measures reviewed since the Food Truck Pilot Scheme was launched.

Year	Expenditure	Enhancement measures reviewed

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 9)

Reply:

The Tourism Commission (TC) set up a Food Truck Office in April 2016 to implement the Food Truck Pilot Scheme (the Scheme) and provide one-stop services to food truck operators. The Government spent a total of \$30.39 million from 2016-17 to 2018-19 for running the Scheme. The expenditure for each financial year is as follows:

Financial Year	Expenditure
2016-17	\$12.413 million
2017-18	\$8.729 million
2018-19	\$9.248 million

The Scheme is extended for two more years from 3 February 2019 and the Food Truck Office will continue implementing the Scheme. The Government has earmarked \$11.472 million in total in 2019-20 and 2020-21 for running the Scheme during the extension period. The estimated expenditure for the two financial years is as follows:

Financial Year	Estimated Expenditure
2019-20	\$5.736 million
2020-21	\$5.736 million

Taking account of the operating performance of food trucks and operators' opinions, TC has rolled out various refinement measures since May 2017, which include:

- introducing four new operating venues (i.e. AsiaWorld-Expo, Science Park, Hong Kong University of Science and Technology and Hong Kong Science Museum);
- offering a more flexible rotation arrangement where food trucks could operate at Energizing Kowloon East Venue 1 in daytime and shift to operate in Tsim Sha Tsui Art Square in nighttime;
- allowing operators to choose whether to operate at the designated venue under the rotation schedule and pay service fees only on the operation days, thereby providing greater room and flexibility for their operation;
- allowing operators to apply to operate at new venues they identified by themselves as long as the venue management allows the food trucks to operate at the venues with appropriate ancillary facilities, and if the parking location will not cause obstruction to pedestrians and vehicles; and
- allowing food trucks to apply to participate in self-identified events as long as these events are open to the public with publicity plans available and licences obtained (e.g. Temporary Place of Public Entertainment licence granted by the Food and Environmental Hygiene Department). As at 25 February 2019, food truck operators applied to operate at 70 self-identified open-to-public events. All these events were approved by TC.

In fact, TC has been relaxing the Scheme to reduce restrictions and enhance operation flexibility for improving the operators' business environment. During the extension period of the Scheme, TC will continue to look for other new operating venues where practicable, including outside of the Passenger Clearance Building of Hong Kong-Zhuhai-Macao Bridge Hong Kong Port, and to encourage relevant government departments to consider engaging food trucks in events organised or sponsored by them.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)201

(Question Serial No. 1510)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide information regarding the first official landing page "Visit Hong Kong" (visithongkong.gov.hk) launched in 2018:

1. How is its positioning different from that of the Hong Kong Tourism Board's website "Discover Hong Kong"?
2. What was the amount of financial resources spent on the setting up and maintenance of the website in 2018? What is the budget for the days ahead?
3. What are the local and overseas page views since the launch of the website?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 11)

Reply:

"Visit Hong Kong" is an official landing page website. From the time of arrival, visitors can click on the link, provided through the free Wi-Fi services at the airport and some boundary ports, to visit the landing page. The landing page is positioned to provide visitors arriving Hong Kong with quick access to practical tourist information, and then link them up with relevant travel websites, such as Discover Hong Kong, websites of tourist attractions, Quality Tourism Services Association, etc. for more detailed information.

The official landing page "Visit Hong Kong" was established in 2018-19 with an expenditure, including promotional expense, of about \$1.84 million. It will be progressively extended to other boundary ports such as Lok Ma Chau Spur Line control point. The estimated expenditure in 2019-20 including promotional expense is about \$3 million.

The numbers of local and overseas users since the establishment of the landing page (from 15 September 2018 to 28 February 2019) are about 28 000 and 7 000 respectively.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)202****(Question Serial No. 1516)**

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On initiatives to implement the Development Blueprint for Hong Kong's Tourism Industry (Development Blueprint), please tabulate:

- (1) the initiatives taken under the Development Blueprint in 2018-19, as well as the budget and supporting resources involved; and

Initiatives to Implement the Development Blueprint	Budget and Supporting Resources Involved

- (2) the initiatives taken under the Development Blueprint in 2019-20 and the financial resources involved.

Initiatives to Implement the Development Blueprint	Budget and Supporting Resources Involved

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 17)

Reply:

To strengthen Hong Kong's competitiveness as the major tourism destination in the region and further exploit the potential of local tourism resources, the Government of this term sets out a comprehensive "Development Blueprint for Hong Kong's Tourism Industry" (the Development Blueprint) in 2017, which outlines the vision and mission of developing Hong Kong into a world-class premier tourism destination and ensuring the balanced, healthy and sustainable development of the industry through implementing various strategies and initiatives.

To implement the Development Blueprint, the Government has allocated additional funding of \$396 million and \$353 million respectively in the 2018-19 and 2019-20 Budgets for the tourism industry, supporting the Hong Kong Tourism Board (HKTB) and the Tourism Commission to take forward various new initiatives to promote tourism development. The estimated expenditure for these initiatives is shown in the following tables –

Additional funding to Hong Kong Tourism Board in 2018-19

Tourism initiatives	Additional funding amount in 2018-19 (\$ million)
<p><u>Strategy 1: To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</u></p> <ul style="list-style-type: none"> • Thematic advertising in source markets • Promoting district programmes • Waiving participation fees of local travel trade in joining overseas promotions • Participating in overseas promotional events organised by the Hong Kong Trade Development Council • Launching overseas promotion for new tourism offerings 	84
<p><u>Strategy 2: To nurture and develop tourism products and initiatives with local and international characteristics</u></p> <ul style="list-style-type: none"> • Stepping up promotion for the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) and the Hong Kong-Zhuhai-Macao Bridge (HZMB) • Stepping up promotion of green tourism • Subsidising the travel trade to attract more small- and medium-sized MICE events to Hong Kong • Enriching mega events’ content and enhancing promotions of various large-scale events • Promoting “Fly-Cruise” and “Rail-Cruise” programme • Collaborating with cruise lines to consolidate the established and develop more source markets for cruise tourism 	120
<p><u>Strategy 3: To develop smart tourism</u></p> <ul style="list-style-type: none"> • Revamping discoverhongkong.com website • Enhancing digital platforms’ content 	13.73
<p><u>Strategy 4: To upgrade the service quality of tourism industry</u></p> <ul style="list-style-type: none"> • Stepping up promotion of the “Quality and Honest Hong Kong Tours” and the “Quality Tourism Services” schemes 	8
<i>Total</i>	226

Additional funding to Tourism Commission in 2018-19

Tourism initiatives	Additional funding amount in 2018-19 (\$ million)
<p><u>Strategy 1: To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</u></p> <ul style="list-style-type: none"> • Organising a tourism forum under the dual themes of the Belt-and-Road (B&R) Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) with business matching conference for the travel trade • Supporting the Travel Industry Council of Hong Kong (TIC) in arranging visits for Hong Kong travel agents to Greater Bay Area • Supporting TIC in developing a new web-based tourism resource forum about B&R related countries and regions and Greater Bay Area cities • Supporting tourist attractions in enhancing competitiveness and promotion in visitor source markets 	21
<p><u>Strategy 2: To nurture and develop tourism products and initiatives with local and international characteristics</u></p> <ul style="list-style-type: none"> • Tourism project making use of creative and multimedia technology • Light installation project at the Central Harbourfront • New tourism projects with creative, artistic and cultural elements • New pilot arts cum historical, cultural and green tourism event at Yim Tin Tsai of Sai Kung • Enhancing the tourism supporting facilities of some popular hiking trails as well as those with tourism appeal potential • Ocean Park's education tourism projects and a new 3D projection-cum-water light show 	110
<p><u>Strategy 3: To develop smart tourism</u></p> <ul style="list-style-type: none"> • Launching new smart travel landing page 	1.4
<p><u>Strategy 4: To upgrade the service quality of tourism industry</u></p> <ul style="list-style-type: none"> • Supporting TIC to continue to implement and enhance the Information Technology Development Matching Fund Scheme for Travel Agents 	30
<i>Sub-total</i>	<i>163</i>
Other initiative	
Preparing for the establishment of the Travel Industry Authority	7.4
<i>Total</i>	<i>170</i>

Additional funding to Hong Kong Tourism Board in 2019-20

<p align="center">Tourism initiatives to be implemented</p>	<p align="center">Additional funding amount in 2019-20 (\$ million)</p>
<p><u>Strategy 1: To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</u></p> <ul style="list-style-type: none"> • Stepping up promotion of Hong Kong’s tourism brand in source markets • Promoting district programmes • Waiving participation fees of local travel trade in joining overseas promotions • Participating in overseas promotion events organised by the Hong Kong Trade Development Council • Launching overseas promotion for new tourism offerings • Developing new source markets • Stepping up tourism promotion on multi-destination itineraries by leveraging XRL and HZMB • Conducting studies on the business opportunities and travel trends stemming from the B&R Initiative, the Greater Bay Area and new infrastructures • Participating in China International Import Expo 	<p align="center">131.3</p>
<p><u>Strategy 2: To nurture and develop tourism products and initiatives with local and international characteristics</u></p> <ul style="list-style-type: none"> • Implementing Pilot Scheme for Characteristic Local Tourism Events • Stepping up promotion of green tourism • Enriching mega events’ content and enhancing promotion of various large-scale events • Stepping up promotion of MICE tourism • Stepping up promotion of cruise tourism • Promoting Hong Kong-Japan Tourism Year 	<p align="center">167</p>
<p><u>Strategy 3: To develop smart tourism</u></p> <ul style="list-style-type: none"> • Rolling out initiatives to promote smart tourism • Revamping discoverhongkong.com website 	<p align="center">14.18</p>
<p><u>Strategy 4: To upgrade the service quality of tourism industry</u></p> <ul style="list-style-type: none"> • Stepping up promotion of the “Quality and Honest Hong Kong Tours” and the “Quality Tourism Services” schemes • Promoting quality hospitality riding on the 20th anniversary of the establishment of the “Quality Tourism Services” scheme • Supporting the establishment of HKTb Visitor Centres 	<p align="center">13.7</p>
<p align="right"><i>Total</i></p>	<p align="center">326.2</p>

Additional funding to Tourism Commission in 2019-20

Tourism initiatives to be implemented	Additional funding amount in 2019-20 (\$ million)
<p><u>Strategy 1: To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</u></p> <ul style="list-style-type: none"> Allocating additional funding to TIC for strengthening its web-based tourism resource platform about B&R related countries and regions and Greater Bay Area cities 	2
<p><u>Strategy 2: To nurture and develop tourism products and initiatives with local and international characteristics</u></p> <ul style="list-style-type: none"> Commissioning a consultancy study to review the exhibition and visitor facilities of Hong Kong Wetland Park Enhancing Ngong Ping Nature Centre and improving the facilities of the hiking trails in the vicinity 	9.2
<p><u>Strategy 3: To develop smart tourism</u></p> <ul style="list-style-type: none"> Commissioning a consultancy study on promotion of smart tourism Extending the official smart landing page, “Visit Hong Kong”, to other boundary control points 	4.5
<p><u>Strategy 4: To upgrade the service quality of tourism industry</u></p> <ul style="list-style-type: none"> Allocating additional funding to TIC for promoting business co-operation through trade forums or exchange visits in B&R related countries and regions and Greater Bay Area cities, as well as enhancing the service quality of the travel trade through training initiatives 	4
<i>Sub-total</i>	<i>19.7</i>
Other initiatives under implementation	
Supporting the appeal panel under the new regulatory regime of the travel industry, the extension of food truck pilot scheme for two years, and providing additional manpower to implement other on-going initiatives under the Development Blueprint	7.1
<i>Total</i>	<i>26.8</i>

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)203****(Question Serial No. 1520)**

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under the “Matters Requiring Special Attention in 2019-20” that the Bureau will “continue to take forward the creative tourism project with creative, artistic and cultural elements at selected districts”. Please list the projects already implemented and their outcome. What specific measures will there be?

Name of project	Details of project

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 21)

Reply:

To implement the direction of promoting creative tourism under the “Development Blueprint for Hong Kong’s Tourism Industry”, the Tourism Commission, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation, through cross-sector collaboration, have launched “Design District Hong Kong” (#ddHK), which comprises distinctive public art place making works, local comic characters with Hong Kong’s originality, multimedia and creative technology, characteristic fashion parade etc. to raise the appeal of Sham Shui Po and Wan Chai as tourism spots.

The project is being rolled out progressively from December 2018, including place making artworks at different locations of Wan Chai so as to enrich the creative atmosphere and activate the public spaces, and virtual sculpture through the application of Augmented Reality to reincarnate the old lives and stories of local people in the 40s to the 70s to the tourists and the public. Besides, a distinct Fashion Parade was held in Sham Shui Po with multi-disciplinary crossovers in fashion, music, digital art and art performance and the participation of local fashion designers being inspired by the characteristics of Sham Shui Po and making use of local fashion materials to make the outfits.

As the 3-year #ddHK creative tourism project, up to now, has just been rolled out for a few months progressively since December 2018, it is premature to assess its effectiveness at this stage. We are now closely discussing with the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation on the plan and implementation details of the new deliverables for their progressive launch as scheduled in 2019-20 and 2020-21.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)204****(Question Serial No. 1522)**

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under "Matters Requiring Special Attention in 2019-20" that the Bureau will continue to work with the Hong Kong Tourism Board, the tourism sector, tourist attractions and relevant government departments in promoting tourism products in Hong Kong as enshrined in the Development Blueprint. Please tabulate the potential tourism products to be developed in collaboration with the tourism sector and the details of those products.

Tourism products	Details of products

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 23)

Reply:

The Government promulgated the "Development Blueprint for Hong Kong's Tourism Industry" in October 2017, in which one of the four strategies is to nurture and develop tourism products and initiatives with local and international characteristics. The Tourism Commission (TC) is working with the travel industry and related organisations to implement the strategy in developing related tourism products and initiatives. TC welcomes the travel trade to collaborate in the promotion of these products and initiatives. The products and initiatives are as follows:

Products and initiatives launched and being taking forward:

Tourism products	Details of products
Cross-sector collaboration amongst tourism, creativity, art and culture	<ul style="list-style-type: none"> The Tourism Commission, the Hong Kong Design Centre and the Hong Kong Comics & Animation Federation, through cross-sector collaboration, have launched the creative tourism

Tourism products	Details of products
	<p>project, “Design District Hong Kong” (#ddHK). The project, being rolled out progressively from December 2018, comprises fashion parade, public art place making works, virtual sculpture through the application of Augmented Reality and theme docent tours etc., so as to raise the appeal of Sham Shui Po and Wan Chai as tourism spots. Other deliverables under #ddHK will be rolled out progressively as scheduled in 2019-20 and 2020-21.</p>
<p>“Hong Kong Neighbourhoods” campaign by the Hong Kong Tourism Board (HKTB)</p>	<ul style="list-style-type: none"> • HKTB has rolled out “Hong Kong Neighbourhoods” campaign since 2017. The campaign so far recommended “Old Town Central” and “Sham Shui Po” districts to promote the city’s neighbourhoods apart from conventional tourist spots in order to extend visitors’ length of stay and footprint in Hong Kong. The campaign has been well received by visitors and travel trade; and local residents and shop operators acknowledged that the campaign has brought impetus to the local economy. HKTB will continue to promote “Old Town Central” and “Sham Shui Po” districts as well as other districts rich in local characteristics under the framework of the “Hong Kong Neighbourhoods” in 2019-20.

Products and initiatives to be launched:

Tourism products	Details of products
<p>Supporting the Travel Industry Council (TIC) in developing a web-based tourism resource platform about Belt and Road related countries and regions and Guangdong-Hong Kong-Macao Greater Bay Area cities to promote the trade in developing more themed tourism products</p>	<ul style="list-style-type: none"> • In order to encourage the trade to develop more thematic tourism products, the Government suggests allocating additional funding in the 2019-20 Budget to support the TIC in strengthening the web-based tourism resource platform. The Government and the TIC will formulate details of the initiative, including how to expand the platform’s content and enhance its functions.

Tourism products	Details of products
Enhance the tourism supporting facilities of some popular hiking trails as well as those with tourism appeal potential	<ul style="list-style-type: none"> • Improvement works have been commenced. The first phase which involves MacLehose Trail Section 1, Peak Trail and Wu Kau Tang to Lai Chi Wo will be completed in the fourth quarter of 2019. • Besides, the government is enhancing the relevant thematic website and mobile application, which are expected to be launched in the fourth quarter of 2019 to tie in with the hiking season.
Tourism project making use of creative and multimedia technology	<ul style="list-style-type: none"> • The Government is partnering with the School of Creative Media, City University of Hong Kong to take forward the project in bringing back to life the history of individual landmarks of Hong Kong by using augmented reality and creative multimedia technology through mobile application to enable visitors to understand the historical landscape and community culture, thereby enhancing their experience in Hong Kong. • The first phase of this 3-year project is tentatively scheduled for launching in the Tsim Sha Tsui and Central areas in 2019.
Organise a new pilot arts cum cultural, historical and green tourism project at Yim Tin Tsai	<ul style="list-style-type: none"> • The first event of the pilot project at Yim Tin Tsai, Sai Kung will be launched in the fourth quarter of 2019 for visitors to experience Hakka culture and the beautiful nature in the locality.
Ocean Park's education tourism projects and the new 3D projection-cum-water light show	<ul style="list-style-type: none"> • For the new 3D projection-cum-water light show, the Ocean Park Corporation (OPC) is using the funding provided by the Government to create a signature night time multi-media light show, which is expected to be rolled out this year. For the education tourism projects, the OPC will use the funding from the Government to enhance the Park's conservation education projects and create new education tourism

Tourism products	Details of products
	<p>projects, and establish a technology-driven and highly interactive STEAM education hub. The education tourism projects are expected to be rolled out progressively this year, while the STEAM Hub is expected to be completed by 2020.</p>
<p>Pilot Scheme for Characteristic Local Tourism Events of HKTB</p>	<ul style="list-style-type: none"> • The Government will allocate funding to HKTB to continue implementing the Pilot Scheme for Characteristic Local Tourism Events for providing funding support for arts, cultural, festivals, dining or sports events with Hong Kong's local characteristics and unique attributes.
<p>Cooperate with HKTB again to roll out second edition of the International Light Art</p>	<ul style="list-style-type: none"> • The Government will allocate funding to HKTB for organising the second edition of International Light Art Display, organised by HKTB and co-organised by the Tourism Commission, to display light art installations at the Central Harbourfront and Tamar Park in 2019-20.
<p>Expansion and development plan of Hong Kong Disneyland Resort (HKDL)</p>	<ul style="list-style-type: none"> • The Government will continue to support HKDL in taking forward its expansion and development plan, and various new attractions are being rolled out progressively between 2018 and the coming few years. The first new attraction of the expansion and development plan, the "Moana: A Homecoming Celebration" stage show, was launched in May 2018, and another new attraction, "Ant-Man and The Wasp: Nano Battle!", has just commenced operation in end-March 2019. Other new items coming on stream in the next few years include the expanded castle with entirely new daytime and night time shows, as well as the new themed areas based on "Frozen" and "Marvel" superheroes respectively.

Tourism products	Details of products
	<ul style="list-style-type: none"> • HKDL will continue to work closely with the Hong Kong Tourism Board and the tourism industry to promote HKDL's appeal and latest facilities in different source markets so as to stimulate its attendance and business.
Commissioning a consultancy study to review the exhibition and visitor facilities of Hong Kong Wetland Park (HKWP)	<ul style="list-style-type: none"> • Agriculture, Fisheries and Conservation Department will commence the tendering process for a consultancy study to review the facilities of HKWP in mid-2019. The consultancy study will cover the exhibition and visitor facilities of HKWP and is expected to be completed in mid-2020.
Enhancing the facilities and services of Ngong Ping Nature Centre to complement the improvement scheme for the hiking trails in the vicinity	<ul style="list-style-type: none"> • The Government will enhance the capability of the Ngong Ping Nature Centre in providing hiking information for visitors and improve the supporting facilities of Lei Nak Shan Country Trail and Lantau Trail. The relevant projects will commence progressively starting from 2019.
Water Taxi	<ul style="list-style-type: none"> • We are working towards launching a pilot "water taxi" service plying both sides of the Victoria Harbour.
The Upgrading Plan of the Peak Tramway	<ul style="list-style-type: none"> • Under the upgrading plan, the Peak Tramways Company Limited will increase the tramcar capacity and improve the lower terminus of the Peak Tramway to increase its capacity for more waiting passengers, etc. The upgrading plan is expected to be completed in 2021.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)205

(Question Serial No. 1525)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government is about to commission a consultancy study on smart tourism development. What are the major items to be implemented and the implementation timetable?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 26)

Reply:

In 2019-20, we plan to commission a consultancy study on strategies and initiatives to promote smart tourism in Hong Kong to better grasp our visitors' travel habits and enhance their travel experience through the use of technology. We will decide on the action items and implementation timetable in the light of the consultancy findings.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)206

(Question Serial No. 1538)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On waiving local traders' participation fees for overseas promotional fairs, please inform this Committee:

- (1) in table form, of the details of the applications received for waiving local trader's participation fees for overseas promotional fairs in the past 3 years;

Year	Number of Subsidised Trade Members	Total Subsidy

- (2) whether this waiver scheme (or other similar schemes) will continue in 2019-20; if yes, the specific work plan; if not, the reasons for that?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 39)

Reply:

Details of the provision of fee waivers supporting the local travel trade to participate in overseas promotion events by the Hong Kong Tourism Board (HKTB) over the past three years are as follows:

Financial year	Number of trade members who received the subsidy	Total Subsidy* (\$ million)
2016-17	790	6
2017-18	964	11
2018-19	823	11

* The funding concerned was provided to the HKTB with the aim of waiving the participation fees for the travel trade, and was not provided to the trade directly.

In 2019-20, HKTB will continue to support the local trade for participating in overseas and local promotion events with the additional funding of \$6 million provided by the Government. The trade members are only required to pay half of the participation fee. The actual amount of the fee depends on various factors including the scale, cost and market where the event takes place, etc. HKTB is working out the related plan. Tentatively, promotion events that HKTB will participate or organise include:

Promotion events	Details
Trade shows	<p>Trade shows targets at the travel trade, aiming at introducing Hong Kong tourism products to them with a view to creating opportunity for cooperation. It is planned to participate in the following 9 trade shows in markets including the US, Germany, the Mainland and Kazakhstan:</p> <ul style="list-style-type: none"> • China International Travel Mart • Guangzhou International Travel Fair • Incentive Travel & Conventions, Meetings China • IMEX Frankfurt • Internationale Tourismus Börse • International Travel Expo Hong Kong • PATA Travel Mart • Seatrade Cruise Global • IMEX America
Consumer shows	<p>Consumer shows target at local consumers, aiming at promoting sales of Hong Kong tourism products offered by the travel trade. It is planned to participate in the following 9 consumer shows in markets including the Mainland, Taiwan, the Philippines, Thailand, South Korea, Japan, Russia:</p> <ul style="list-style-type: none"> • China (Guangdong) International Tourism Industry Expo • Taipei International Travel Fair • Travel Madness Expo • Thai International Travel Fair • Hana International Travel Fair • Korea World Travel Fair

Promotion events	Details
	<ul style="list-style-type: none"> ● Mode International Travel Fair ● JATA Tourism Expo ● Yamarka Travel Expo
Travel missions for local trade	<p>Travel missions gather the local travel trade to different tourist destinations with a view to meeting the counterparts there, understanding the tourism development of the markets and looking for opportunities for cooperation. It is planned to organise 9 travel missions to markets including the UK, France, South Korea, India, Russia, Turkey, Cambodia and Vietnam.</p>
Trade missions for non-local trade	<p>Trade missions invite non-local travel trade coming to Hong Kong with a view to meeting local counterparts, understanding Hong Kong's tourism development and looking for opportunities for cooperation. It is planned to organise 14 trade missions for non-local travel trade from markets including Indonesia, Malaysia, the Philippines, Singapore, Thailand, the Mainland, etc.</p>

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)207****(Question Serial No. 1539)**

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

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

Programme: (2) Commerce and Industry

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work on the planning for new convention and exhibition facilities to maintain and consolidate the international status of Hong Kong's convention and exhibition industry, please provide the following information:

1. Please tabulate the respective numbers of days that the venues of the Hong Kong Convention and Exhibition Centre (HKCEC) and the AsiaWorld-Expo (AWE) reached saturation and the numbers of applications turned down due to shortage of space over the past 5 years.

	Year	Number of days on which venue reached saturation	Number of exhibition events turned down due to shortage of space	Number of conferences turned down due to shortage of space
HKCEC	2014			
	2015			
	2016			
	2017			
	2018			
AWE	2014			
	2015			
	2016			
	2017			
	2018			

2. What is the progress of the work on the planning for new convention and exhibition facilities (including AWE Phase 2)?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 40)

Reply:

According to the information provided by the management companies of the Hong Kong Convention and Exhibition Centre (HKCEC) and AsiaWorld-Expo (AWE), the number of days (including fair period, move-in and dismantling) that the two venues reached saturation and the number of applications for venue rental for convention and exhibition (C&E) activities turned down due to shortage of space over the past five years are tabulated below:

	Year	Number of days on which venue reached saturation *	Number of applications for venue rental for exhibitions turned down due to shortage of space	Number of applications for venue rental for conventions turned down due to shortage of space
HKCEC	2014	74	21	20
	2015	75	24	23
	2016	71	13	22
	2017	74	18	38
	2018	75	14	17
AWE	2014	52	17	13
	2015	60	26	19
	2016	66	24	19
	2017	70	34	22
	2018	81	20	27

* The figures for HKCEC are the number of days that purposely-built exhibition facilities reached saturation.

The Chief Executive announced in the October 2017 Policy Address that the Government will develop Wan Chai North into a C&E hub in Asia. To this end, we are actively taking forward the redevelopment of the three government towers in Wan Chai North and Kong Wan Fire Station into C&E facilities, hotel and office. Due to the massive scale of the relocation, which involves 29 government departments and the Judiciary with over 10 000 staff, as well as the time required to construct various new government buildings for relocation, the relocation exercise is being taken forward in phases. The West Kowloon Government Offices is the first completed relocation project, and the departments concerned have moved in from January this year in phases. Other relocation projects are being taken forward as planned. We expect that the relocation would be completed by 2026 at the earliest for vacating the sites for the development of C&E facilities, hotel and office.

In addition, we will discuss with the Airport Authority on the Phase Two expansion plan of AWE to further increase the supply of C&E facilities in Hong Kong, so as to strengthen the competitiveness of our C&E industry.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)208****(Question Serial No. 1540)**

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. The Budget has allocated an additional provision of \$353 million for the Hong Kong Tourism Board. Please list out in detail the distribution of the additional provision.

Tourism projects to be launched	Amount of additional funding
Total	\$353 million

2. What are the differences between the procedures in regard to making use of the additional provision and recurrent provision?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 41)

Reply:

The Government has proposed to allocate an additional funding of \$353 million in the 2019-20 Budget to support tourism development, of which \$326 million will be allocated to the Hong Kong Tourism Board (HKTB) for the implementation of the four development strategies set out in the Development Blueprint for Hong Kong's Tourism Industry promulgated by the Government. The proposed resources allocation on various initiatives in accordance with different development strategies are as follows:

Tourism initiatives to be implemented	Additional funding amount in 2019-20 (\$ million)
<p><u>Strategy 1: To develop a diversified portfolio of visitor source markets for Hong Kong, with a focus on attracting high value-added overnight visitors</u></p> <ul style="list-style-type: none"> ● Stepping up promotion of Hong Kong’s tourism brand in source markets ● Promoting district programmes ● Waiving participation fees of local travel trade in joining overseas promotions ● Participating in overseas promotion events organised by the Hong Kong Trade Development Council ● Launching overseas promotion for new tourism offerings ● Developing new source markets ● Stepping up tourism promotion on multi-destination itineraries by leveraging the Hong Kong Section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge ● Conducting studies on the business opportunities and travel trends stemming from the Belt-and-Road Initiative, the Guangdong-Hong Kong-Macao Greater Bay Area and new infrastructures ● Participating in China International Import Expo 	131.3
<p><u>Strategy 2: To nurture and develop tourism products and initiatives with local and international characteristics</u></p> <ul style="list-style-type: none"> ● Implementing Pilot Scheme for Characteristic Local Tourism Events ● Stepping up promotion of green tourism ● Enriching mega events’ content and enhancing promotion of various large-scale events ● Stepping up promotion of MICE tourism ● Stepping up promotion of cruise tourism ● Promoting Hong Kong-Japan Tourism Year 	167
<p><u>Strategy 3: To develop smart tourism</u></p> <ul style="list-style-type: none"> ● Rolling out initiatives to promote smart tourism ● Revamping discoverhongkong.com website 	14.18
<p><u>Strategy 4: To upgrade the service quality of tourism industry</u></p> <ul style="list-style-type: none"> ● Stepping up promotion of the “Quality and Honest Hong Kong Tours” and the “Quality Tourism Services” schemes ● Promoting quality hospitality riding on the 20th anniversary of the establishment of the “Quality Tourism Services” scheme ● Supporting the establishment of HKTB Visitor Centres 	13.7
Total	326.2

The aim of the subvention to HKTB is to promote inbound tourism and maximise the socio-economic contribution that tourism makes to Hong Kong. The subvention to HKTB includes recurrent provisions for supporting the organisation's daily operation and the promotion work as set out in its work plan submitted annually. The subvention also includes additional provisions which the Government provides to HKTB in the Budget based on policy needs. These additional provisions are time-limited dedicated funding.

Irrespective of recurrent provisions or additional provisions, the Government will request HKTB to set up performance indicators for its work. HKTB is also required to report regularly on the use and efficacy of the funding to ensure that the public money is well spent.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)209

(Question Serial No. 3204)

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

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

Programme: (7) Subvention : Hong Kong Tourism Board

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The commissioning of the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL) and Hong Kong-Zhuhai-Macao Bridge (HZMB) in 2018 has not only strengthened Hong Kong's connection with Macao and Mainland cities, but has also presented a good opportunity for further promoting multi-destination tourism. However, according to the paper submitted by the Hong Kong Tourism Board to the Panel on Economic Development of this Council earlier on, the budget for multi-destination tourism will be substantially reduced from \$21.5 million in 2018-19 to \$2.5 million in 2019-20. Please advise this Committee of the reason for the reduction, and how Hong Kong will enhance its collaboration with Macao and Mainland cities to further leverage the XRL and HZMB for promoting multi-destination tourism.

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 49)

Reply:

In 2018-2019, the Hong Kong Tourism Board (HKTB)'s revised budget on promoting the development of multi-destination tourism was \$21.5 million. In 2019-2020, the HKTB's total budget on such is \$15.9 million, which includes the HKTB's proposed basic budget of \$2.5 million, and the additional funding of \$13.4 million from the Budget.

The HKTB's total budget on promoting the development of multi-destination tourism in 2018-19 is more than that in 2019-20 because the former included the estimated expenditures of organising the Hong Kong International Tourism Convention. After deducting this item, the total budget on promoting the development of multi-destination tourism in 2019-20 is in fact more than that in 2018-19.

The HKTB has been actively promoting the development of multi-destination tourism. Such efforts include through strengthened collaboration with the tourism promotion organisations in Guangdong Province and Macao, jointly promoting the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) tourism brand, as well as multi-destination itineraries and tourism products featuring Hong Kong to overseas travellers. For example, it will produce travel television programmes hosted by celebrities, so as to showcase the different travel experiences offered by Guangdong, Hong Kong and Macao, as well as the strong transport connectivity amongst the three places, with a view to encouraging overseas travellers to visit the Greater Bay Area on a multi-destination basis. It will also encourage the travel trade to develop multi-destination products targeting different overseas source markets, and involving the use of Guangdong Province's 144-hour Facilitation Visa measure in crossing the border, as well as the use of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge in travelling amongst destinations.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)210

(Question Serial No. 3260)

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

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

Programme: (6) Travel and Tourism

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Currently, eligible overseas visitors may travel to Guangdong Province from Hong Kong or Macau under the 144-hour convenient visa arrangement. However, the active publicity efforts by the tourism authorities in the 3 places do not seem to be particularly effective. As reflected by the local tourism sector, the 144-hour convenient visa arrangement should be conducive to the joint development of multi-destination itineraries by Guangdong, Hong Kong and Macau. Yet, there are uncertainties in the existing practice. The relevant authorities may cancel the arrangement all of a sudden without giving any reason in advance and providing any written document through a formal channel, and there is not any pattern in respect of the time of resuming the arrangement. As a result, overseas tour group agencies have great difficulty in following the arrangement and are unable to explain to the visitors about the change in itineraries, which may even lead to legal proceedings claiming for compensation. To avoid monetary loss and damage to reputation, both overseas and local travel sectors dare not publicise and promote the 144-hour convenient visa and multi-destination itinerary without careful thoughts.

Now that the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the Hong Kong-Zhuhai-Macao Bridge have come into operation, if the aforesaid problem can be solved, it would help Guangdong, Hong Kong and Macau explore overseas markets. How would Hong Kong and Mainland authorities enhance the 144-hour convenience visa measure to make it an effective and standardised one, so that the industry could promote its tourism products linked with the 144-hour convenience visa and multi-destination itinerary without worries?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 50)

Reply:

The “144-hour Facilitation Visa” measure has been implemented in Guangdong Province since November 2000. It offers simplified immigration procedures to foreign visitors arriving at Hong Kong and travelling to Guangdong Province in tour groups for no more than 144 hours (i.e. 6 days), which can help collaborated development of multi-destination travel itineraries between the travel trades in Hong Kong and the Mainland as well as attract foreign travellers to visit Guangdong Province by transiting through Hong Kong.

The Government has earlier reflected the trade’s views on the measure to the Mainland. We will continue to maintain close liaison with the Mainland and explore with it the optimisation of the relevant arrangements, so as to make multi-destination travel in Guangdong, Hong Kong and Macao even more attractive, thereby attracting more foreign visitors to travel to Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)211****(Question Serial No. 5211)**

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

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

Programme: (2) Public Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government inform this Committee of the following:

- (1) the number of calls on senior officials of the host governments conducted by respective overseas Economic and Trade Offices in 2018-19 (please set out in table form); and
- (2) the number of calls on members of the United States House of Representatives and Senate conducted by the Economic and Trade Office in Washington D.C. in 2018-19.

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 358)

Reply:

- (1) The numbers of calls on senior government officials / organisations (including Congressmen) by the overseas Economic and Trade Offices (ETOs) under Programme (2) "Public Relations" in 2018 are as follows –

ETOs*	Call on senior government officials / organisations
Berlin	152
Brussels	305
Jakarta	40
London	262
New York	51
San Francisco	64
Singapore	182

ETOs*	Call on senior government officials / organisations
Sydney	162
Tokyo	134
Toronto	157
Washington	178
Total	1 687

* As the Geneva ETO focuses on World Trade Organization matters and mainly attends meetings and activities on trade-related matters, it does not make calls on senior government officials/ organisations under Programme (2).

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)212****(Question Serial No. 5212)**

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

Subhead (No. & title): (000) Operational expenses

Programme: Not Specified

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government tabulate the staff establishment, estimated expenditure on annual salaries and operating expenses of the overseas Economic and Trade Offices of Hong Kong in Berlin, Brussels, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington D.C. in 2019-20?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 359)

Reply:

In 2019-20, the estimated staff establishment, personal emoluments and other operating expenses of the 12 Economic and Trade Offices (ETOs) are tabulated below –

ETOs	2019-20 Estimate		
	Staff Establishment (as at 31.3.2020)	Personal Emoluments * (\$ million)	Other Operating Expenses # (\$ million)
Berlin	17	12.2	20.1
Brussels	18	23.1	19.8
Geneva	15	26.2	17.1
Jakarta	14	11.2	14.8
London	18	14.6	24.2
New York	14	14.5	23.4
San Francisco	16	15.8	19.0
Singapore	11	10.3	15.6
Sydney	12	12.0	16.6

ETOs	2019-20 Estimate		
	Staff Establishment (as at 31.3.2020)	Personal Emoluments * (\$ million)	Other Operating Expenses # (\$ million)
Tokyo	14	15.2	26.7
Toronto	11	9.1	12.5
Washington	18	22.5	22.5

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

Other operating expenses include expenditures on personnel related expenses, departmental expenses and other charges.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)213****(Question Serial No. 0746)**

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

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

Programme: Not Specified

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Regarding the overseas Economic and Trade Offices (ETOs) currently in operation and under planning, please tabulate the total expenditures with breakdowns, manpower and grades of relevant staff of each of these ETOs in each of the past 3 years.
2. For the purpose of stepping up efforts in developing new economic and trade markets in the regions concerned, will the Government actively consider increasing the establishment of overseas ETOs and creating independent grades for out-stationed staff to enhance their functions effectively, thereby further enhance the functions and roles of the overseas ETOs?
3. Is the Government engaging in negotiations with any countries along the Belt and Road, with a view to signing Free Trade Agreements or establishing new ETOs? If yes, what are the current position and progress of such negotiations?

Asked by: Hon CHOW Ho-ding, Holden (LegCo internal reference no.: 1)

Reply:

The operational expenses (including personal emoluments and other operating expenses) and the staff establishment of the 13 existing Economic and Trade Offices (ETOs) are as follows -

ETO	2016-17 Actual Expenditure (\$ million)	Staff Establishment (as at 31 March 2017)	2017-18 Actual Expenditure (\$ million)	Staff Establishment (as at 31 March 2018)	2018-19 Revised Estimate (\$ million)	Staff Establishment (as at 31 March 2019)
Bangkok*	-	-	-	-	6.1	17
Berlin	26.8	4 [#]	30.8	4 [#]	28.9	4 [#]
Brussels	35.2	18	38.2	18	40.2	18

ETO	2016-17 Actual Expenditure (\$ million)	Staff Establishment (as at 31 March 2017)	2017-18 Actual Expenditure (\$ million)	Staff Establishment (as at 31 March 2018)	2018-19 Revised Estimate (\$ million)	Staff Establishment (as at 31 March 2019)
Geneva	33.4	15	35.1	15	38.6	15
Jakarta	11.8	14	22.1	14	22.5	14
London	32.5	18	35.3	18	34.4	18
New York	34.1	14	33.3	14	31.5	14
San Francisco	34.0	16	30.7	16	28.4	16
Singapore	22.4	11	26.1	11	21.5	11
Sydney	27.6	11	27.2	11	25.5	12
Tokyo	30.7	14	37.8	14	38.3	14
Toronto	18.8	11	19.1	11	18.4	11
Washington	30.6	18	35.2	18	39.7	18

* The Bangkok ETO commenced operation on 28 February 2019.

The Berlin ETO comprises mostly non-civil service contract staff. The ETO plans to create 13 locally-engaged staff posts to replace the existing non-civil service contract positions.

At present, the posts of heads of the ETOs are filled by directorate officers of the Administrative Officer Grade posted from Hong Kong. The other Hong Kong-based officers include those of the Administrative Officer, Trade Officer, Information Officer and Executive Officer grades. In addition, the ETOs employ locally-engaged (LE) staff who are responsible for carrying out investment promotion and public relations work, as well as providing clerical, secretarial or general administrative support services. In order to meet the short-term or part-time service needs from time to time (such as providing short-term logistics support for large-scale promotional activities), the ETOs may also employ non-civil service contract staff locally in addition to their staff establishment.

The existing staff establishment of the ETOs is sufficient in meeting their operational needs, enabling them to effectively perform their functions and role as official representatives of the Hong Kong Special Administrative Region (HKSAR) Government overseas. Depending on the individual ETOs, the ranking of the heads ranges from Administrative Officer Staff Grade C (D2) to Administrative Officer Staff Grade A (D6). The heads of the ETOs possess the necessary leadership skills, administrative experience, strategic vision and political acumen for leading the ETOs to handle bilateral matters with the countries under their respective purviews and overseeing the overall operation of the respective ETOs. The other Hong Kong-based officers, being familiar with the systems and operations of the HKSAR Government, and with the relevant work experience of their respective grades, are capable of performing the work of the ETOs. The LE staff have good local knowledge and network, thus facilitating the ETOs' work on investment promotion and public relations. Furthermore, a number of Hong Kong-based officers have served in different ETOs. Their accumulated experience is conducive to the HKSAR Government's work in promoting external relations. We have no plan to create a dedicated grade for the ETOs.

So far, Hong Kong has reached agreement on 9 free trade agreements (FTAs) with 21 economies¹, including Belt and Road economies. In selecting and determining Hong Kong's target FTA partners and their relative priorities, we take into account the unique characteristics of Hong Kong's economy and devises a strategy that is in the best interest of Hong Kong, including through the signing of FTAs with economies that have strong

economic and trade connections with Hong Kong, markets with development potential or at strategic locations, as well as like-minded trading partners, with a view to expanding Hong Kong's global economic and trade network. In this connection, in the Policy Address announced in October 2018, the Chief Executive set out our priorities in signing FTAs in future. Potential partners include the Pacific Alliance² and the Regional Comprehensive Economic Partnership (RCEP)³, covering countries along the Belt and Road.

In determining the locations for new ETOs, we take into account various factors, including the relevant countries' trade relations with Hong Kong, their economic development potentials, and whether there is scope for Hong Kong to enhance its presence in the regions around the countries. With the Bangkok ETO commencing operation on 28 February this year, the HKSAR Government currently has 13 overseas ETOs, some of which are located in Belt and Road economies. We also plan to set up new ETOs in other countries, including those along the Belt and Road. So far, our discussion with the United Arab Emirates Government on setting up the Dubai ETO is in good progress and has come to a final stage. It is expected that the Dubai ETO will be the second new ETO to be established after the Bangkok ETO by the current-term Government. Apart from the Bangkok and Dubai ETOs, we have been carrying out discussion and preparatory work for setting up the new ETOs in Moscow (Russia), Mumbai (India) and Seoul (Korea) respectively.

¹ The 21 economies are Mainland China, New Zealand, the 4 member states of the European Free Trade Association (i.e. Iceland, Liechtenstein, Norway and Switzerland), Chile, Macao, the 10 member states of the Association of Southeast Asian Nations (ASEAN) (i.e. Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam), Georgia, Maldives and Australia.

² The member states of the Pacific Alliance are Chile, Colombia, Mexico and Peru.

³ The participating economies of RCEP are the 10 member states of ASEAN and its 6 FTA partners (i.e. Australia, Mainland China, India, Japan, Korea and New Zealand).

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)214

(Question Serial No. 0351)

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

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

Programme: (3) Investment Promotion

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under this Programme that, in close collaboration with Invest Hong Kong, the overseas Economic and Trade Offices (ETOs) promote the attractiveness of Hong Kong as an international financial and business centre and provide assistance and support to overseas companies to establish or expand operations in Hong Kong. Please inform this Committee of the effectiveness of such work over the past year. How many companies were assisted to establish or expand operations in Hong Kong and what was the expenditure involved? In 2019-20, how will the Government promote the attractiveness of Hong Kong as an international financial and business centre and provide assistance to overseas companies to establish and expand operations in Hong Kong? What are the major work plans as well as the estimated expenditure and manpower involved?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 34)

Reply:

The overseas Economic and Trade Offices (“ETOs”) and Invest Hong Kong (“InvestHK”) work in very close partnership. InvestHK has organised various events through Investment Promotion Units (“IPUs”) of the overseas ETOs to promote the business advantages of Hong Kong and its role as a hub under the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development so as to encourage overseas companies to set up or expand their businesses in Hong Kong, as well as to use Hong Kong as a platform to access opportunities in the Mainland and elsewhere in Asia. These investment promotion efforts are effective in enhancing the understanding of overseas companies about Hong Kong’s investment environment and the advantages of investing in Hong Kong. In 2018, the number of projects completed with the support of IPUs of the overseas ETOs was 195, accounting for 45% of InvestHK’s total completed projects in the

year. In 2018-19, the revised estimate for Programme (3) Investment Promotion under Head 96 is \$62 million, including personal emoluments and general operating expenses.

The overseas ETOs and InvestHK will continue to collaborate closely in organising marketing campaigns and seminars as well as conducting investment promotion visits to various overseas markets to promote the advantages of Hong Kong as an international financial and commercial centre. They will also continue to provide assistance and support to overseas companies to establish or expand operations in Hong Kong. In 2019-20, the estimate for Programme (3) under Head 96 is \$88.5 million. As at 31 March 2020, the estimated staff establishment under Programme (3) will be 35.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)215

(Question Serial No. 0352)

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

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

Programme: (2) Public Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under this programme, it is stated that during 2019-20, the overseas Economic and Trade Offices will continue to sustain and step up publicity and public relations efforts in the member states of the Association of Southeast Asian Nations, Australia, Europe, Japan, Korea, New Zealand, North America, the Middle East, etc., and to strengthen collaboration with other Hong Kong overseas agencies in developing strategies for city branding and publicity. Please advise this Committee of the effectiveness of the work concerned in 2018-19. What was the expenditure involved? What are the specific work plans and strategies for publicity to be implemented in the new financial year of 2019-20? What is the estimated expenditure to be incurred?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 35)

Reply:

The Overseas Economic and Trade Offices (ETOs) are the official representatives of the HKSAR Government abroad. With the exception of the Geneva ETO which represents Hong Kong at the World Trade Organization, the remaining 12 ETOs are responsible for fostering ties at the government-to-government level as well as handling all bilateral relations in various areas including economy, trade, investment and culture between Hong Kong and the trading partners under the ETOs' respective purviews. They also seek to promote Hong Kong's interests by monitoring closely developments that may affect Hong Kong, conducting promotion work (e.g. giving public speeches, issuing press releases, etc.), liaising closely with Hong Kong enterprises and a wide range of interlocutors, as well as providing them with information and enquiry services about Hong Kong.

Besides, our ETOs collaborate closely with other Hong Kong overseas agencies, such as the Hong Kong Trade Development Council, Hong Kong Tourism Board, etc., in organising and co-organising a range of promotional activities, e.g. seminars, luncheons, receptions, exhibitions, thematic events, etc., to brief the local audience on the latest developments of Hong Kong and our advantages in various aspects, encourage local enterprises to invest in Hong Kong or partner with Hong Kong companies to explore the Asia-Pacific market, and to highlight Hong Kong's position as an international financial and business hub. Riding on opportunities arising from the "Belt and Road" Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development, the ETOs also step up efforts in promoting Hong Kong and encouraging local businessmen to make use of Hong Kong's advantages in exploring new business opportunities so as to help the commercial and professional sectors in Hong Kong open up new markets.

In 2019-20, the ETOs will continue to closely collaborate with other Hong Kong overseas agencies in organising different events to promote the Hong Kong Brand with a view to showcasing Hong Kong's unique position and advantages in different aspects. These activities and promotion efforts will allow people overseas to learn more about our latest developments and the opportunities the city can offer, and help enhance Hong Kong's profile in other key markets. As the relevant promotion work is part of the overall public relations work of ETOs, it is difficult to quantify the expenditures involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)216

(Question Serial No. 3884)

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

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

Programme: (-) -

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please tabulate the establishment of all overseas Economic and Trade Offices and the number of staff for each of the posts.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 53)

Reply:

The staff establishment of the 13 existing overseas Economic and Trade Offices (ETOs) is as follows -

Rank	ETO												
	Bangkok	Berlin	Brussels	Geneva	Jakarta	London	New York	San Francisco	Singapore	Sydney	Tokyo	Toronto	Washington
Administrative Officer Staff Grade A (D6)	-	-	-	-	-	-	-	-	-	-	1	-	1
Administrative Officer Staff Grade B1 (D4)	-	-	1	1	-	-	-	-	-	-	-	-	-
Administrative Officer Staff Grade B (D3)	-	-	-	-	1	1	-	-	-	-	-	-	-
Administrative Officer Staff Grade C (D2)	1	1	2	2	-	-	1	1	1	1	1	1	1
Senior Administrative Officer	1	1	-	2	1	2	1	1	1	1	1	1	2
Principal Trade Officer	1	-	2	2	1	-	-	-	-	-	-	-	1
Trade Officer	-	1	-	-	-	1	-	-	1	-	-	-	-
Chief Information Officer	-	-	-	-	-	-	1	-	-	-	-	-	-

Rank	ETO												
	Bangkok	Berlin	Brussels	Geneva	Jakarta	London	New York	San Francisco	Singapore	Sydney	Tokyo	Toronto	Washington
Principal Information Officer	1	-	-	-	1	-	-	-	1	1	1	1	-
Investment Promotion Project Officer	-	-	-	-	-	-	-	1	-	-	-	-	-
Executive Officer I	1	1	-	-	1	-	-	-	-	-	-	-	-
Locally-engaged staff	12	-	13	8	9	14	11	13	7	9	10	8	13
Total	17	4	18	15	14	18	14	16	11	12	14	11	18

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)217

(Question Serial No. 2124)

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

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

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Hong Kong currently has overseas Economic and Trade Offices (ETOs) in Berlin, Brussels, Geneva, Jakarta, London, New York, San Francisco, Singapore, Sydney, Tokyo, Toronto and Washington D.C. and new ETOs will also be set up in Bangkok and Dubai soon. In view of our country's implementation of the "Belt and Road" Initiative, does the Government have any plan to set up more ETOs in places like Central Asia, Africa and South America in order to promote trade between Hong Kong and these places? If so, what are the details? If no, what are the reasons?

Asked by: Hon LAU Kwok-fan (LegCo internal reference no.: 59)

Reply:

With the Economic and Trade Office (ETO) in Bangkok commencing operation on 28 February, the HKSAR Government currently has 13 overseas ETOs. We also plan to set up new ETOs in other countries, including those along the Belt and Road. So far, our discussion with the United Arab Emirates (UAE) Government on setting up the Dubai ETO is in good progress and has come to a final stage. It is expected that the Dubai ETO will be the second new ETO to be established after the Bangkok ETO by the current-term Government. Apart from the Bangkok and Dubai ETOs, we have been carrying out discussion and preparatory work for setting up the new ETOs in Moscow (Russia), Mumbai (India) and Seoul (Korea) respectively.

In order to consolidate and enhance Hong Kong's status and importance among our trading partners, we will continue to expand the ETO network, which would also complement the development of the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area. In determining the locations for setting up new ETOs, we will take into account a number of factors including the relevant countries' trade relations with Hong Kong, their

economic development potentials, and whether there is scope for Hong Kong to enhance its presence in the regions around the countries.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)218

(Question Serial No. 3686)

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

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

Programme: (2) Public Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

- (a) Please list the expenditure and manpower involved in the promotion of local cultural and creative industries, local culture and exchanges by overseas Economic and Trade Offices (ETOs) in the past year, and the percentage of such expenditure in the total expenditure.
- (b) Please use the table below to provide the details of arts and cultural or sport events (such as film festivals, arts and cultural performances, roving exhibitions, rugby tournaments and dragon boat festivals) held by overseas ETOs in the past year.

Titles of events	Date of events	Hong Kong organisations involved (if any)	Expenditures of events

- (c) What concrete plans do the overseas ETOs have for the promotion of local cultural and creative industries, local culture and exchanges this year? What are the estimated expenditure and manpower involved?
- (d) Have any local cultural organisations contacted the overseas ETOs to reflect the need to conduct cultural exchanges and promote local culture overseas? If yes, what was the number of such cases? How did the Government handle their requests?
- (e) Will the Government consider deploying dedicated staff to ETOs as appropriate to handle cultural matters? If yes, what are the details? If no, what are the reasons?

- (f) Did the relevant ETOs promote cultural exchanges between Hong Kong and countries along the Belt and Road last year? What were the details and expenditure involved? Do they have any plan to promote cultural exchanges between Hong Kong and countries along the Belt and Road in the coming year? If yes, what are the details and expenditure involved? If no, what are the reasons?

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 80)

Reply:

In 2018-19, our overseas Economic and Trade Offices (ETOs) (except the Geneva ETO which specialises in World Trade Organization matters) not only strived to strengthen Hong Kong's overseas economic and trade relationships with foreign countries, but also assisted in promoting Hong Kong's cultural and creative industries and facilitating cultural exchanges. From time to time, the ETOs organised and sponsored different arts and cultural events in the countries/regions under their respective purviews, such as film festivals, concerts, dance performances, arts exhibitions, dragon boat races, etc., and invited Hong Kong people from various sectors, including film directors, actors, designers, emerging artists, etc., to participate in these events. The ETOs also supported Hong Kong's arts and cultural groups of different sizes to conduct exchanges and give performances overseas. Examples of arts and cultural events organised/supported by the ETOs in 2018 are as follows -

- In the US, the Washington ETO co-organised the annual "Made in Hong Kong Film Festival" with the Smithsonian Institution's Freer Gallery of Art between July and August. The New York ETO sponsored again two rugby tournaments in New York City, and sponsored the Collegiate Rugby Championship in Philadelphia, and supported Hong Kong Dragon Boat Festivals in several cities in the eastern US during the year. The San Francisco ETO sponsored several major film festivals in various states in the western US and supported an exhibition and a talk about the late Hong Kong painter Mr Wesley Tongson in San Francisco.
- In Europe, the Brussels ETO invited a Hong Kong music ensemble "Artemisia" and various musicians to perform at the Chinese New Year (CNY) receptions organised in some European cities and supported the exhibition "Lines in Motion: East meets West" held from February to March in Amsterdam, the Netherlands, which showcased artworks of 12 artists from Hong Kong. The London ETO supported/organised various arts and cultural events in some cities under its purview, including inviting Hong Kong young musicians to perform in a number of CNY receptions and sponsoring the new play "Mountains: The Dreams of Lily Kwok" touring the UK in April. The Berlin ETO supported various cultural events, including the annual Berlin City Cup dragon boat races in June and the film festival held in Zurich in October.
- In Asia, the Singapore ETO invited the Spring-Time Experimental Theatre to stage a musical in Singapore in April, and the Hong Kong Chinese Orchestra to present a concert there in September. The Tokyo ETO organised a series of "Hong Kong Week" related events between October and November, including co-organising a

concert with the Asian Youth Orchestra, an architecture exhibition with the Hong Kong Institute of Architects, a cheongsam exhibition with the Hong Kong Arts Centre, etc. The Sydney ETO supported Hong Kong's City Contemporary Dance Company in organising their performance tour titled "4 Seasons", a choreographic contemporary dance inspired by climate and life, in Brisbane and Darwin, and arranged for a young Hong Kong watercolour artist to take part in the "Vivid Sydney" event in the Chatswood district of Sydney, Australia, during which she painted pictures of future cities and space live for spectators.

As promoting Hong Kong's arts and culture is part of the overall public relations work of ETOs, it is difficult to quantify the expenditure and number of staff involved separately.

In 2019-20, our overseas ETOs will continue to promote Hong Kong's arts and cultural achievements and characteristics, and support our local creative industries to tap overseas markets. Since the relevant work has been included in the overall public relations work of ETOs, it is difficult to quantify the estimated expenditure and number of staff involved separately.

Over the years, our overseas ETOs have been in close contact with different cultural organisations in Hong Kong to provide support for their cultural exchanges in overseas countries, but there are no statistics on the requests for assistance. In general, the ETOs would respond positively to requests raised by these organisations and provide assistance as appropriate, taking account of various factors (such as resources and manpower arrangement, different cultural environment of overseas countries, etc.). The ETOs would (1) liaise with relevant local partners and other local arts and cultural bodies to facilitate cultural exchanges and cooperation; (2) provide assistance in publicity work through different channels; and (3) support or co-organise events, etc. in order to promote Hong Kong's cultural and creative industries.

Promotion of cultural exchanges between Hong Kong and countries/regions under their respective purviews has always been one of the main functions of the overseas ETOs. ETOs will continue to make best use of resources to perform the work in this regard under a multi-pronged approach and at different levels. There is no plan to deploy dedicated staff to ETOs to handle cultural matters.

In the past year, the overseas ETOs actively promoted cultural exchanges in the countries (including those along the Belt and Road) under their respective purviews with a view to publicising the developments of Hong Kong's cultural and creative industries, etc. In Europe, the Brussels, Berlin and London ETOs organised CNY receptions in a number of countries, including Belt and Road countries, to promote Hong Kong's Chinese cultural heritage, and arranged arts and cultural performances during such receptions to showcase Hong Kong's arts and musical talents who were either flown in from Hong Kong or based in Europe. The ETOs also sponsored local international film festivals and supported screening of Hong Kong films in these festivals to promote Hong Kong's film culture. In Asia, the Jakarta and Singapore ETOs continued to launch the Association of Southeast Asian Nations (ASEAN) Internship Scheme for Hong Kong Higher Education Students and sponsored Hong Kong's arts and cultural organisations to perform in ASEAN countries with a view to promoting cultural exchanges with Belt and Road countries. In 2019-20, the

overseas ETOs will continue to organise different kinds of arts and cultural activities in countries along the Belt and Road.

As the above efforts are part of the overall public relations work of ETOs, it is difficult to quantify the expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)219

(Question Serial No. 0710)

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

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

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During 2019-20, the overseas Economic and Trade Offices will continue to promote Hong Kong's trade and commercial interests, including providing support to counter protectionism in Hong Kong's major markets. In this connection, how will the Government counter protectionism? What are the specific details?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 45)

Reply:

Hong Kong is an externally-oriented economy and pursues a free trade policy. As a founding member of the World Trade Organization (WTO), we have always been a staunch supporter of the multilateral trading system and are against any restrictive trade measures that are inconsistent with WTO agreements. We actively participate in the credible global multilateral trading system and major organisations relating to international trade. In addition to the WTO, Hong Kong has also been an active member of the Asia-Pacific Economic Cooperation, the Pacific Economic Cooperation Council, the World Customs Organization, etc. In 2019-20, our overseas Economic and Trade Offices (ETOs) will continue to assist actively in pursuing negotiations for Free Trade Agreements between Hong Kong and its trading partners, with a view to liberalising trade in goods and services as well as investments. They will also continue to closely monitor changes in trade regulations of our trading partners and their trade remedy measures which are targeted at Hong Kong-origin products, and will provide timely reports to the relevant bureaux/departments (B/Ds) in Hong Kong so that B/Ds can disseminate information to the relevant sectors. If Hong Kong's economic and trade interests are affected, we will, on the bilateral front, voice to the relevant government our concerns and take follow-up actions through different channels, including filing formal representation and requesting bilateral discussion. The ETOs concerned will take complementary follow-up actions, such as

approaching local government offices to reiterate Hong Kong's standpoints and concerns. If necessary, we will also take up the issues at WTO meetings with the assistance of the Geneva ETO.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)220

(Question Serial No. 0711)

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

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

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimate under Programme (1) has increased by \$74.3 million (or 41.9%) This is mainly due to the increased provision for the new Economic and Trade Offices (ETOs) planned to be set up, increased salary provision for filling vacancies and staff changes and increased operating expenses.

What are the percentage share of the provision for setting up new ETOs in the overall estimate and the increase in the remaining estimate in real terms over last year? Will the Government consider allocating additional resources specifically for promoting the business opportunities arising from the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), Hong Kong' participation in the Belt and Road (B&R) Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) development? If yes, how many resources will be spent on the relevant tasks?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 46)

Reply:

For Programme (1) "Commercial Relations", the provision for 2019-20 is \$74.3 million higher than the revised estimate for 2018-19 (i.e. an increase of 41.9%). Among the \$74.3 million, \$35.1 million is reserved for setting up the four new Economic and Trade Offices (ETOs) in Dubai (the United Arab Emirates), Moscow (Russia), Mumbai (India) and Seoul (Korea) respectively, accounting for about 14% of the overall provision for 2019-20 under Programme (1). The remaining \$39.2 million is an additional provision for the existing ETOs, accounting for an increase of about 22% over the 2018-19 revised estimate of \$177.3 million. Of the \$39.2 million, \$9.9 million is for the operational expenses (including personal emoluments) of the Bangkok ETO which has just commenced operation; about \$9.6 million is for strengthening ETOs' external promotion work; and about \$19.7 million is

to meet an increase in salaries arising from filling vacancies and staff changes and an increase in other operational expenses of the remaining 12 ETOs.

The ETOs are the official representatives of the HKSAR Government abroad. With the exception of the Geneva ETO which represents Hong Kong at the World Trade Organization, the remaining 12 ETOs are responsible for fostering ties at the government-to-government level as well as handling all bilateral relations in various areas including economy, trade, investment and culture between Hong Kong and the trading partners under the ETOs' respective purviews. They also seek to promote Hong Kong's interests by monitoring closely developments that may affect Hong Kong, as well as conducting promotion work. Besides, our ETOs brief the local audience on the latest developments of Hong Kong, its unique position and as well as advantages in various aspects, attract local enterprises to invest in Hong Kong or partner with Hong Kong companies to explore the Asia-Pacific market, and highlight Hong Kong's position as an international financial and business hub. Riding on opportunities arising from the Mainland and Hong Kong Closer Economic Partnership Arrangement, the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development, the ETOs encourage local businessmen to make use of Hong Kong's advantages in exploring new business opportunities so as to help the commercial and professional sectors in Hong Kong open up new markets. In 2019-20, ETOs will continue to make best use of resources to strengthen the above work.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)221

(Question Serial No. 3114)

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

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

Programme: (2) Public Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Overseas Economic and Trade Offices (ETOs) will continue to launch publicity and public relations work in various countries and regions. Regarding the public relations work concerning our major trading partners including the US, please advise whether additional resources will be channeled to more frequent lobbying of the political and business sectors to explain the actual political and economic situations of Hong Kong, so as to minimise misunderstanding and strengthen confidence for cooperation. If yes, what are the details (including the specific items to which resources will be allocated under the estimate)? If no, what are the reasons?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 42)

Reply:

Through substantive bilateral relations, officials' mutual visits and participation in international conferences, as well as the regular duties of the overseas Economic and Trade Offices (ETOs), the Government has been explaining to countries around the world the successful implementation of "one country, two systems" since our return to the Motherland, promoting Hong Kong's unique status under the Basic Law and "one country, two systems" as well as our own various advantages, and exploring room for collaboration. In respect of the US, the Secretary for Justice visited Washington D.C. and New York in July 2018 and met with US government officials and representatives from various sectors, including those from the international arbitration sector and think tanks, to promote Hong Kong as an international legal and dispute resolution services centre in the Asia-Pacific region and to update them on the implementation of "one country, two systems" and the rule of law in Hong Kong. The Secretary for Commerce and Economic Development also led a delegation to visit Washington D.C. in September 2018, during which he met with US government officials, Congressmen, think tanks as well as the business community there,

and explained clearly Hong Kong's unique status under the Basic Law, as well as Hong Kong's important role in helping its global trading partners in developing markets. The ETOs in Washington D.C., New York and San Francisco have all along maintained regular contact with various sectors in the US, meeting from time to time with relevant government officials, Congressmen and their staffers, think tanks, as well as other organisations and individuals to brief them on the latest developments in Hong Kong and to explain to them Hong Kong's unique status under "one country, two systems" as well as our own various advantages, and to state Hong Kong's position on issues of mutual concern. Other overseas ETOs have also been maintaining regular contact with individuals of various sectors in the countries and regions under their respective purviews, clearly explaining the actual situation of Hong Kong and our staunch position in safeguarding "one country, two systems".

Introducing Hong Kong's latest developments and promoting Hong Kong's advantages are important parts of the overall publicity and public relations work of the ETOs. In 2019-20, the ETOs will continue to make best use of resources to strengthen their promotion work through multi-pronged communications at different levels.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)222

(Question Serial No. 0822)

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

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

Programme: (3) Investment Promotion

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. What were the respective numbers of new projects generated and projects completed by each of the overseas Economic and Trade Offices in each of the past 5 years?
2. How many of the projects completed were related to (a) the setting up of business or (b) significant expansion of business in each of the past 5 years? Please provide the respective figures and percentages broken down by the above 2 categories.
3. How many of the projects completed were related to the setting up of (a) regional headquarters, (b) regional offices and (c) local offices in each of the past 5 years? Please provide the respective figures and percentages broken down by the above 3 types of projects of different scales.
4. Please provide the respective numbers and percentages of the projects completed in each of the past 5 years broken down by source country/territory.
5. Please provide the respective numbers and percentages of the projects completed in each of the past 5 years broken down by main areas of business operated in Hong Kong.

Asked by: Hon WU Chi-wai (LegCo internal reference no.: 15)

Reply:

In 2018, Invest Hong Kong (InvestHK) has 10 investment promotion units (IPUs) based in the overseas Economic and Trade Offices (ETOs) respectively. The information of projects handled by IPUs in the past five years are as follows -

Number of projects generated (PG) and projects completed (PC)

IPU	2014		2015		2016		2017		2018	
	PG	PC	PG	PC	PG	PC	PG	PC	PG	PC
Berlin	33	21	33	23	46	23	49	24	41	19
Brussels	37	17	31	19	34	16	37	17	38	21
Jakarta*	Not applicable								4	0
London	74	32	66	35	53	35	69	36	52	37
New York	53	26	44	27	55	30	49	18	61	28
San Francisco	45	19	46	19	46	24	51	23	56	26
Singapore	28	15	31	11	46	13	35	19	30	20
Sydney	37	19	39	20	54	23	42	23	48	20
Tokyo	31	20	35	25	18	11	31	13	33	16
Toronto	19	6	20	10	23	12	24	8	15	8
Total	357	175	345	189	375	187	387	181	378	195

* IPU in the Jakarta ETO started operation in August 2018.

Types of investment

Types of investment	2014	2015	2016	2017	2018	Total
First-time investment	150 (86%)	153 (81%)	149 (80%)	144 (80%)	154 (79%)	750 (81%)
Expansion case	25 (14%)	36 (19%)	38 (20%)	37 (20%)	41 (21%)	177 (19%)
Total	175 (100%)	189 (100%)	187 (100%)	181 (100%)	195 (100%)	927 (100%)

Status of the Hong Kong operation of the completed projects

Status of the Hong Kong operation	2018**
Regional headquarters	48 (24.6%)
Regional office	48 (24.6%)
Local office	90 (46.2%)
Others [^]	9 (4.6%)
Total	195 (100%)

** InvestHK started to collect the respective information against its completed projects in 2018.

[^] Including start-ups, joint venture operations, global headquarters, head offices, etc.

Place of origin of the completed projects

Place of origin	2014	2015	2016	2017	2018	Total [#]
United States	44	45	55	41	54	239 (25.8%)
United Kingdom	32	36	33	33	36	170 (18.3%)
Australia	15	16	17	22	18	88 (9.5%)
Japan	20	25	11	13	16	85(9.2%)
Singapore	14	10	9	18	20	71 (7.7%)
Germany	12	10	16	15	12	65 (7.0%)
Canada	6	11	12	8	8	45 (4.9%)
Switzerland	6	13	4	5	4	32 (3.5%)
Spain	3	7	4	5	7	26 (2.8%)
Netherlands	4	5	9	3	4	25 (2.7%)
Others	19	11	17	18	16	81 (8.7%)
Total	175	189	187	181	195	927 (100%)

[#] The sum of the percentages may not be equal to 100% because of the rounding.

Completed projects by business sectors

Business sector	2014	2015	2016	2017	2018	Total
Business and Professional Services	28	27	29	26	24	134 (14.5%)
Creative Industries	19	23	31	27	25	125 (13.5%)
Consumer Products	21	20	14	19	20	94 (10.1%)
Fintech [@]	N/A	N/A	N/A	6	18	24 (2.6%)
Financial Services	16	24	20	13	21	94 (10.1%)
Innovation and Technology	18	21	22	28	25	114 (12.3%)
Information and Communications Technology	26	22	24	25	17	114 (12.3%)
Tourism and Hospitality	30	30	29	24	28	141 (15.2%)
Transport and Industrial	17	22	18	13	17	87 (9.4%)
Total	175	189	187	181	195	927 (100%)

[@] The dedicated fintech team in InvestHK was established in September 2016.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)223

(Question Serial No. 2696)

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

Subhead (No. & title): (000) Operational expenses

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

How much financial provision to overseas Economic and Trade Offices and how many of their staff are deployed for negotiating trade agreements? What are the ranks, salaries and experience in external trade of the responsible officers? Apart from agreements under negotiation, how many agreements are in preparation for negotiation?

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 127)

Reply:

The Overseas Economic and Trade Offices (ETOs) are the official representatives of the HKSAR Government abroad. With the exception of the Geneva ETO which represents Hong Kong at the World Trade Organization, the remaining 12 ETOs are responsible for fostering ties at the government-to-government level as well as handling all bilateral relations in various areas including economy, trade, investment and culture between Hong Kong and the trading partners under the ETOs' respective purviews.

Pursuing Free Trade Agreements (FTAs) between Hong Kong and its trading partners is mainly the responsibility of the Trade and Industry Department (TID), whereas the ETOs actively provide the necessary support, including closely monitoring the political sentiments and economic developments of the countries/regions under their respective purviews, facilitating FTA negotiations, lobbying for the support of local governments and commercial sectors, monitoring the implementation of signed FTAs in the economies under their respective purviews, carrying out follow-up promotion and publicity, etc. Such work is carried out under the leadership of the heads of the ETOs who are directorate officers and depending on individual ETOs, their rank ranges from Administrative Officer Staff Grade C (D2) to Administrative Officer Staff Grade A (D6) (with the annual salary at about \$2,179,800 to \$3,127,200). They are supported by all other officers in the ETOs, including

officers from the Administrative Officer Grade, Trade Officer Grade, Information Officer Grade, and Executive Officer Grade and all those locally-engaged staff.

In the Policy Address announced in October 2018, the Chief Executive set out the Government's priorities in signing FTAs in future. Hong Kong is exploring an FTA with the Pacific Alliance¹ and plans to seek accession to the Regional Comprehensive Economic Partnership (RCEP)² after its negotiations have been completed. The Government is also exploring with the United Kingdom options for furthering economic ties, including the possibility of an FTA in future. TID will make every effort to follow up on the various new FTA initiatives set out in the 2018 Policy Address, and will continue to explore possibilities of forging FTAs with other economies.

1 The member states of Pacific Alliance are Chile, Colombia, Mexico and Peru.

2 The participating economies of RCEP are ten member states of ASEAN and its six FTA partners, i.e. Australia, Mainland China, India, Japan, Korea and New Zealand.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)224

(Question Serial No. 3222)

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

Subhead (No. & title): (000) Operational expenses

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

At present, what is the amount of fund and number of staff deployed by the overseas Economic and Trade Offices (ETOs) for work relating to Hong Kong's top 10 trading partners (except China), particularly on trade negotiations and issues on bilateral and multilateral fronts? What percentages of the total amount of fund and number of staff of overseas ETOs do the former account for?

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 128)

Reply:

The HKSAR Government has 13 overseas Economic and Trade Offices (ETOs), covering nearly all Hong Kong's top 20 merchandise trading partners.

In 2018, Hong Kong's top 10 merchandise trading partners were, in order of sequence, Mainland China, the United States, Taiwan, Japan, Singapore, Korea, India, Malaysia, Thailand and Vietnam. Except for Mainland China and Taiwan (where the Constitutional and Mainland Affairs Bureau has set up respective offices), bilateral matters between Hong Kong and the remaining 8 major merchandise trading partners are handled by the 7 ETOs of the HKSAR Government in Washington D.C., New York, San Francisco, Tokyo, Singapore, Jakarta and Bangkok respectively (the respective geographical coverages of the 3 ETOs in Singapore, Jakarta and Bangkok also include other trading partners of Hong Kong). The 2018-19 revised estimate (including personal emoluments and other operating expenses) of these 7 ETOs is \$187 million, while the staff establishment as at 31 March 2019 is 104 posts, representing 50.1% of the overall operational expenses and 59.8% of the staff establishment of all the ETOs. We do not have a breakdown of relevant figures on individual trading partners. As assisting in trade negotiations with trading partners,

handling bilateral relations, etc. are parts of the overall work of the ETOs, it is difficult to quantify the expenditures involved and the number of staff on the above work separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)225

(Question Serial No. 4113)

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

Subhead (No. & title): (000) Operational expenses

Programme: (1) Commercial Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Government targets to set up the Bangkok Economic and Trade Office (ETO) in Thailand in early 2019, to be followed by the Dubai ETO in the United Arab Emirates. How many and what economic opportunities will be brought to Hong Kong by these 2 ETOs? What are the percentage shares of the trade values of the regions under their respective purview with Hong Kong in our city's total trade? What are the criteria for appointing their respective heads?

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 124)

Reply:

The Economic and Trade Office (ETO) in Bangkok commenced operation on 28 February 2019. In addition, our discussion with the United Arab Emirates (UAE) Government on setting up the Dubai ETO is in good progress and has come to a final stage. It is expected that the Dubai ETO will be the second new ETO to be established after the Bangkok ETO by the current-term Government.

The Bangkok ETO is the third ETO set up by the HKSAR Government in the member states of the Association of Southeast Asian Nations (ASEAN), after the Jakarta ETO in Indonesia and the Singapore ETO. ASEAN is Hong Kong's second largest merchandise trading partner and fourth largest services trading partner. Following the signing of the Free Trade Agreement and the related Investment Agreement between Hong Kong and ASEAN, and coupled with the commencement of operation of the newly set up Bangkok ETO, we will further strengthen our economic and trade ties with ASEAN to explore the huge business opportunities of the region.

The geographical coverage of the Bangkok ETO includes 3 ASEAN member states, viz. Thailand, Cambodia and Myanmar, as well as Bangladesh. In 2018, the bilateral merchandise trade between the 4 countries and Hong Kong amounted to \$181 billion, accounting for 2% of Hong Kong's total merchandise trade. The potential target business sectors in Thailand include information and communication technology, consumer products, transportation, etc. Besides, the relevant Thai enterprises are actively expanding their business overseas under the Belt and Road Initiative, and there is a strong potential for them to invest or to increase their investment in Hong Kong. The trade volumes between Hong Kong and Cambodia as well as Myanmar continue to grow in recent years. The two countries provide quality locations and facilities for Hong Kong manufacturers to expand or relocate their production lines. The increasing spending power of the middle class in both countries also brings new markets and business opportunities to Hong Kong. The trade relation between Bangladesh and Hong Kong has become closer in recent years. It is also a country along the Belt and Road.

The UAE is Hong Kong's 17th largest merchandise trading partner and the largest among the Middle East countries. The geographical coverage of the Dubai ETO will include member states of the Gulf Cooperation Council (GCC), namely the UAE, Bahrain, Kuwait, Oman, Qatar and Saudi Arabia. In 2018, the bilateral merchandise trade between the GCC member states and Hong Kong amounted to \$107.6 billion, accounting for 1.2% of Hong Kong's total merchandise trade. The GCC member states are situated in an important region along the Belt and Road, which brings huge investment potentials to Hong Kong, particularly in the fields of fintech, transportation, logistics and advanced manufacturing industries. Strengthening the ties with those countries will help encourage their governments and companies to make more use of Hong Kong's financial services and to use Hong Kong as a financing platform. As there are huge potentials in Islamic finance, strengthening Hong Kong's links with the Middle East countries will help promote the development of Hong Kong's Islamic bond market.

In determining the ranking of the heads of the two new ETOs, the Government has fully considered various factors, including the respective geographical coverages of the ETOs, job responsibilities and ranking of the heads of the existing ETOs, levels of the counterparts whom the two new ETOs would have daily business contacts, etc.

For the 3 ETOs in ASEAN, the head of the Jakarta ETO is responsible for overseeing and formulating the overall strategies for maintaining ties between Hong Kong and ASEAN, and its rank is pitched at Administrative Officer Staff Grade B (AOSGB) (D3). To ensure consistent alignment of our overall strategies among all member states of ASEAN, the heads of the Bangkok ETO and the Singapore ETO are required to report to the head of the Jakarta ETO. Therefore, the head of the Bangkok ETO, same as the head of the Singapore ETO, is pitched at Administrative Officer Staff Grade C (D2) level.

For the Dubai ETO, the countries to be put under its purview will be the GCC member states which are not covered by any existing ETOs. The head of the ETO will have to focus efforts on contact-making and audience-building work with the political and business sectors in the Middle East region. In addition, GCC member states are rich in both financial resources and business opportunities for other economies to tap and to collaborate with. A relatively more senior head of the ETO is therefore essential to ensure more ready

access to senior local government officials and business contacts. Having regard to the scope and complexity of the responsibilities involved, the head of the Dubai ETO is pitched at AOSGB (D3) level.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)226

(Question Serial No. 4114)

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

Subhead (No. & title): (000) Operational expenses

Programme: (2) Public Relations

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the initial ideas of city branding that the overseas Economic and Trade Offices plan to develop? What are the main directions of the publicity strategies?

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 125)

Reply:

The Overseas Economic and Trade Offices (ETOs) are the official representatives of the HKSAR Government abroad. With the exception of the Geneva ETO which represents Hong Kong at the World Trade Organization, the remaining 12 ETOs are responsible for fostering ties at the government-to-government level as well as handling all bilateral relations in various areas including economy, trade, investment and culture between Hong Kong and trading partners under the ETOs' respective purviews.

The Brand Hong Kong programme is coordinated and promoted by the Information Services Department (ISD). The ETOs support ISD's publicity efforts to promote Hong Kong as a two-way platform for international companies seeking access to the Mainland market, and for Mainland companies reaching out to the world, particularly Hong Kong's role as a hub under the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development. The promotion focus includes Hong Kong as a major business, financial and cultural hub; Hong Kong's strengths as a cosmopolitan, well-connected, dynamic and diverse city with world-class talent and infrastructure; sectors where Hong Kong enjoys clear advantages including financial, legal and professional services, as well as innovation and technology, etc. The ETOs promote Hong Kong through various means including meetings and exchanges of views with the local governments and stakeholders from different sectors, organisation of events (such as thematic exhibitions, cultural outreach and promotional visits), use of social media and issue of press release/newsletters, etc.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)227

(Question Serial No. 4115)

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

Subhead (No. & title): (000) Operational expenses

Programme: Not Specified

Controlling Officer: Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) (Miss Eliza LEE)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Why is it that the provision allocated to/required by Programme (1) is 10% higher than that for Programme (2)? As the work under Programme (1) is more complicated, why is it that the two Programmes have roughly the same number of staff?

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 126)

Reply:

The Overseas Economic and Trade Offices (ETOs) are the official representatives of the HKSAR Government abroad. With the exception of the Geneva ETO which represents Hong Kong at the World Trade Organization, the remaining 12 ETOs are responsible for fostering ties at the government-to-government level as well as handling all bilateral relations in various areas including economy, trade, investment and culture between Hong Kong and the trading partners under the ETOs' respective purviews. The ETOs' responsibilities are categorised into 3 programmes, namely Programme (1) "Commercial Relations", Programme (2) "Public Relations" and Programme (3) "Investment Promotion".

In 2019-20, the overall estimated expenditure under Head 96 is \$531.5 million, of which Programme (1) and Programme (2) comprise \$251.6 million and \$191.4 million respectively, accounting for 47.3% and 36% respectively of the overall estimated expenditure. Compared with Programme (2), the provision under Programme (1) is about \$60.2 million higher (i.e. 11.3% of the overall estimated expenditure). Of the \$60.2 million, about \$30.9 million is for personal emoluments and about \$29.3 million is for the other operating expenses (mainly for conducting activities related to commercial relations).

For preparation of the estimates, each post in the ETO is categorised under one of the three programmes according to its main responsibilities. As at 31.3.2020, the estimated establishment for Programme (1) and Programme (2) is 97 and 95 posts respectively. In general, staff with higher salary such as Heads and Deputy Heads of the ETOs as well as staff specialised in commercial relations functions are put under Programme (1); staff specialised in public relations work are put under Programme (2); and general supporting staff (including locally-engaged clerks and secretaries) are generally put under Programme (1) or Programme (2) depending on the operational situation of individual ETOs. For actual operation, Heads of ETO, with the assistance of Deputy Heads, lead all staff in the respective ETOs to handle different areas of work. The general supporting staff provide support to the whole ETO.

The estimated expenses of ETOs' activities are also included under one of the three programmes according to the main nature of each activity. The ETOs organise and participate in various kinds of activities to promote Hong Kong's advantages in various aspects to the local audiences, brief them on Hong Kong's business environment and seize opportunities to build up networks, with a view to attracting more external investments to Hong Kong. While some activities cover more than one programme, for preparation of the estimates, the related expenses are included under Programme (1) only.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)228

(Question Serial No. 1509)

Head: (22) Agriculture, Fisheries and Conservation Department

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

Programme: (2) Nature Conservation and Country Parks

Controlling Officer: Director of Agriculture, Fisheries and Conservation
(Dr LEUNG Siu-fai)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Budget that the facilities in the Hong Kong Wetland Park will be enhanced. Please advise on the following:

- (a) Please tabulate respectively the total numbers of visitors and overseas visitors of the Hong Kong Wetland Park over the past 5 years.

Year	Total number of visitors	Number of overseas visitors

- (b) What is the Government's estimated expenditure for the enhancement of facilities in the Hong Kong Wetland Park? What is the timeframe for the implementation of the plan?
- (c) Apart from increasing the investment in enhancement of hardware, what other initiatives would the Government undertake to strengthen the publicity of the Hong Kong Wetland Park with a view to increasing the number of visitors, especially the number overseas visitors?

Asked by: Hon YIU Si-wing (LegCo internal reference no.: 10)

Reply:

The total numbers of visitors and overseas visitors of the Hong Kong Wetland Park (HKWP) over the past 5 years are tabulated as follows:

Calendar Year	Total number of visitors	Number of overseas visitors
2014	460 918	63 219
2015	459 548	61 474
2016	488 319	51 555
2017	481 681	40 767
2018	458 995	38 792

The Agriculture, Fisheries and Conservation Department (AFCD) will commence the tendering process for a consultancy study to review the facilities of HKWP in mid-2019. The consultancy study will cover the exhibition and visitor facilities of HKWP and is expected to be completed in mid-2020 at an estimated cost of \$5 million. Subject to the findings of the study, AFCD will bid for the necessary funding to enhance the facilities of HKWP.

Promotion will be done through various advertising platforms (e.g. overseas travel websites, overseas nature and photography magazines, the Hong Kong International Airport and other ports, social media, etc.) to strengthen the publicity of HKWP. HKWP will also work closely with the Hong Kong Tourism Board and the travel trade with a view to raising its visibility, thereby attracting more visitors.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)229

(Question Serial No. 0314)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Customs and Excise Department (C&ED) states that it will strengthen the co-operative alliance with the industries and enforcement agencies in detecting online sale of infringing goods. Please advise this Committee of the following:

1. In relation to the online sale of infringing goods in the past 3 years,
 - (a) the numbers of prosecutions;
 - (b) the numbers of persons arrested; and
 - (c) the types of online infringing goods and the respective amounts of money involved.
2. In many cases that involve online infringing goods, effective prosecutions are not made possible due to alleged overseas registration or the fact that the offender(s) is/are abroad. In this connection, what new measures will C&ED adopt to plug the loophole and enhance the rate of successful enforcement?
3. How will the capability in the detection of online sale of infringing goods be upgraded? If new equipment is required to facilitate such work, please provide a detailed description of the functions of the equipment and the estimated expenditure.

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 10)

Reply:

The details of online intellectual property rights (IPR) infringement cases detected by C&ED in the past 3 years are as follows:

	2016	2017	2018
Number of prosecutions#	181	158	177
Number of persons arrested	227	242*	245
Total value of seizures (mostly clothing, watches and accessories)	\$1.8 million	\$2.6 million	\$3.5 million

Excluding cases in which nobody has been prosecuted

* An updated figure

Owing to the borderless nature of the Internet, it is difficult for the law enforcement agency (LEA) of any single country or region to bring criminals engaged in transnational online infringing activities to justice by relying on its own efforts. As such, C&ED has been actively strengthening liaison and exchanging intelligence with overseas LEAs with a view to combating such activities more effectively. If offshore websites, users or platforms, etc. are found to be involved in IPR infringement cases, C&ED will, where appropriate, contact the overseas LEAs for exchange of intelligence or refer the relevant cases to the overseas LEAs concerned for follow-up actions.

C&ED has been closely monitoring the latest trend of IPR infringing activities on the Internet and the related electronic crimes, and conducts timely review of the effectiveness of its enforcement work. Over the past few years, C&ED has, through redeployment of internal resources, set up three dedicated “Anti-Internet Piracy Teams” for the relevant enforcement work; established the “Electronic Crime Investigation Centre” to enhance the capabilities of frontline officers in online investigation and evidence collection, and developed various online monitoring systems to better monitor and combat online IPR infringing activities. One of such systems is the Big Data Analytics System launched at the end of 2017, which can analyse mass information on different Internet platforms for more effective surveillance on infringing activities and their evolving trend. In 2019-20, the resources and manpower to be devoted by C&ED to the enforcement work against IPR crimes will be comparable to the existing level, and C&ED will continue to take action against IPR offences through flexible deployment of existing resources and manpower.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)230****(Question Serial No. 2928)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-) -Programme: (5) Trade ControlsControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

Regarding the controls on strategic commodities, please advise this Committee of the following:

1. Please set out in tabular form the statistics on prosecutions related to the controls on strategic commodities over the past 5 years, including (i) date of enforcement action, (ii) company involved, (iii) illegal products (category) involved, (iv) quantity of illegal products involved, (v) intended export destination, (vi) place of import of articles involved (if applicable) and (vii) amount of fine.

Year

(i) Date of enforcement action	(ii) Company involved	(iii) Category of major illegal articles involved	(iv) Quantity of major illegal articles involved	(v) Intended export destination	(vi) Place of import of articles involved (if applicable)	(vii) Amount of fine

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 18)

Reply:

Statistics on strategic commodity-related enforcement by the Customs and Excise Department (C&ED) in the past five years, i.e. 2014 to 2018, are tabulated below:

	2014	2015	2016	2017	2018
Number of prosecutions	23	62	45	33	49
Fine (\$ million)	0.85	3.58	1.18	0.75	0.94
Value of forfeited goods (\$ million)	0	0.98	10.93	1.17	1.45

C&ED does not comment on individual cases.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)231****(Question Serial No. 6039)**

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please set out the number of complaints about unfair trade practices received last year and the number of substantiated cases after investigation.

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 283)

Reply:

The numbers of complaints concerning the Trade Descriptions Ordinance (TDO)[^] received, cases investigated, successful prosecutions and cases with written undertakings accepted by the Customs and Excise Department last year were as follows:

	2018
Number of complaints	10 818
Number of cases investigated	142
Number of successful prosecutions	66
Number of cases with written undertakings accepted	9

Note: [^] The offences under the TDO include: false trade descriptions, misleading omissions, aggressive commercial practices, bait advertising, bait-and-switch, wrongly accepting payment and other offences under the TDO, such as the offences under sections 4 and 12.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)232

(Question Serial No. 6255)

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Of the intellectual property rights investigations conducted last year, how many were carried out by the Department upon receipt of reports? How many were carried out by the Department on its own initiative?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 303)

Reply:

Of the intellectual property rights investigations conducted by the Customs and Excise Department last year, investigations were carried out upon receipt of reports for 1 782 cases. In addition, 665 cases were effected as a result of investigations upon proactive inspections and special operations.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)233

(Question Serial No. 7236)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. In the past 5 years, how many cases relating to online selling of intellectual property rights (IPR) infringing goods were detected by the Customs and Excise Department (C&ED)? What were the values and types of the goods? How many persons were involved?
2. How many cases of IPR infringement were reported in the past 5 years respectively? What were the numbers of cases with investigation completed in the past 5 years respectively? What are the estimated number of staff and expenditure involved in the investigation of IPR infringement cases in 2019-2020?
3. What are the estimates of C&ED for upgrading its capability in the investigation of Internet and electronic crimes relating to IPR infringement in 2019-2020?
4. What are the estimates of C&ED for promoting public and traders' awareness of IPR and consumer protection legislation through publicity programmes in 2019-2020?
5. Please provide the expenditure and number of staff involved in the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 by C&ED, the Commerce and Economic Development Bureau (CEDB) and other parties concerned in 2019-2020, as well as the estimated expenditure and number of staff involved in the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 by C&ED, CEDB and other parties concerned in 2019-2020.
6. In the past 5 years, what were the actual expenditure, number of staff and number of prosecutions involved in the investigation of false claims on health products by C&ED? In 2019-2020, what are the specific amount of expenditure and number of staff involved in the investigation of false claims on health products by C&ED?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 105)

Reply:

The details of online IPR infringement cases detected by C&ED in the past 5 years are as follows:

	2014	2015	2016	2017	2018
Number of cases	184	200	201	202	207
Number of persons arrested	202	248	227	242	245
Total value of seizures (mostly clothing, watches and accessories)	\$2.47 million	\$3 million	\$1.8 million	\$2.6 million	\$3.5 million

In 2019-20, a total of 190 C&ED officers will be deployed for the prevention and detection of IPR crimes, involving an expenditure of around \$86.91 million. The numbers of cases investigated by C&ED in the past 5 years are as follows:

	2014	2015	2016	2017	2018
Number of cases investigated	1 954	1 892	1 599	1 606	1 782
Number of cases completed	1 913	1 577	1 546	1 540	1 448

C&ED has been closely monitoring IPR infringing activities on the Internet and combating the related crimes. In 2018-19, there were a total of 45 C&ED officers dedicated to the relevant work, involving an expenditure of around \$20.1 million. In 2019-20, the resources and manpower devoted by C&ED to the relevant work will be similar to the existing level, and C&ED will continue to take action against IPR offences through flexible deployment of the existing resources and manpower.

C&ED has been enhancing the public's understanding of IPR and consumer rights through various channels, including seminars and thematic talks organised in collaboration with the Intellectual Property Department, the Consumer Council, industry associations, major chambers of commerce and relevant Government departments from time to time. In 2019-20, C&ED will continue to work in this area. The expenditure involved has been subsumed within the Department's provision. It is difficult to quantify such expenditure separately.

In the past 5 years, C&ED prosecuted 10 companies and 4 persons for contravention of the Trade Descriptions Ordinance (TDO) regarding false trade descriptions on health products. In 2019-20, C&ED will deploy a total of 227 enforcement officers (Note) to implement the TDO, involving an expenditure of \$116 million. It is difficult to quantify the manpower and expenditure involved by category of goods separately.

(Note): In 2019-20, C&ED plans to create 40 posts to enhance the handling of reporting, investigation and relevant enforcement work related to unfair trade practices. Of these new posts, 37 are enforcement officers and 3 are supporting staff.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)234

(Question Serial No. 0428)

Head: (31) Customs and Excise Department
Subhead (No. & title): (000) Operational expenses
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government advise this Committee of the following:

The estimated provision of the Customs and Excise Department (C&ED) for “Intellectual Property Rights and Consumer Protection” in 2019-20 is 13.2% higher than the original estimate for 2018-19. C&ED has explained that it is due to the increase of 40 posts to meet operational needs. Please provide the details of these posts, including the work they handle.

Does C&ED have a separate breakdown of the expenditure for combating “online infringing activities”? If yes, what is the expenditure involved? If no, what are the reasons?

Asked by: Hon CHEUNG Wah-fung, Christopher (LegCo internal reference no.: 4)

Reply:

The 40 posts to be created in 2019-20 are for strengthening the capability of C&ED in handling reporting, investigation and related enforcement work related to unfair trade practices. Of these new posts, 37 are enforcement officers and 3 are supporting staff. Details are as follows:

Rank	Number
Senior Inspector of Customs and Excise	2
Inspector of Customs and Excise	4
Chief Customs Officer	2
Senior Customs Officer	6
Customs Officer	14
Senior Trade Controls Officer	1
Trade Controls Officer	2
Assistant Trade Controls Officer	6
Confidential Assistant	1
Assistant Clerical Officer	1
Motor Driver	1
Total:	40

C&ED has been closely monitoring intellectual property rights infringing activities on the Internet and combating related crimes. In 2018-19, there were a total of 45 C&ED officers dedicated to the relevant work, involving a salary provision of about \$20.1 million. The expenditure involved has been included in Programme (3).

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)235

(Question Serial No. 0341)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding Matters Requiring Special Attention in 2019-20, the Customs and Excise Department (C&ED) will continue to strengthen the co-operative alliance with the industries and enforcement agencies in detecting online sale of infringing goods. What will be the expenditure involved in the related work? What was the expenditure on such work in 2018-19 and how effective was the work?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 24)

Reply:

As a result of the continuous and vigorous enforcement actions taken by C&ED, intellectual property rights (IPR) infringing activities in the local market have reduced significantly as compared to several years ago, but the online sale of IPR infringing goods has been shifting from auction sites to social media platforms as well as online community market places. C&ED has been closely monitoring the latest trend of IPR infringing activities on the Internet and the related electronic crimes, and conducts timely review of the effectiveness of its enforcement work. Over the past few years, C&ED has, through redeployment of internal resources, set up three dedicated "Anti-Internet Piracy Teams" for the relevant enforcement work; established the "Electronic Crime Investigation Centre" to enhance the capabilities of frontline officers in online investigation and evidence collection, and developed various online monitoring systems to better monitor and combat online IPR infringing activities. One of such systems is the Big Data Analytics System launched at the end of 2017, which can analyse mass information on different Internet platforms for more effective surveillance on infringing activities and their evolving trend.

In 2018-19, C&ED had a total of 190 officers who were dedicated to preventing and detecting IPR crimes, involving a salary expenditure of about \$86.91 million. The relevant expenditure on system maintenance was about \$1.03 million.

The details of IPR infringing cases detected by C&ED in 2018 are as follows:

Number of cases (online IPR crime)	951 cases (207 cases)
Total value of seizures (online IPR crime)	\$104 million (\$3.5 million)
Number of successful prosecutions (online IPR crime) (Note)	421 cases (149 cases)
Penalties imposed by the Court	Fine: \$100 - \$90,000; Community service order: 40 - 240 hours; Imprisonment: 3 days - 26 months

Note: Cases with trial concluded in 2018

In 2019-20, C&ED will devote a comparable amount of resources and manpower to enforcement work in this area, and will continue to take action against IPR offences through flexible deployment of existing resources and manpower.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)236****(Question Serial No. 2508)**

Head: (31) Customs and Excise Department

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

Programme: (5) Trade Controls

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to the control system for strategic commodities, will the Government advise this Committee of the following:

1. Please tabulate by offence type the numbers of prosecutions, convictions and cases where sentences or fines were imposed for contravention of relevant legislation in the past 3 financial years.
2. With regard to the implementation of the United Nations sanctions terms, including terms of embargoes, please tabulate by offence type the numbers of prosecutions, convictions and cases where sentences or fines were imposed for contravention of the United Nations sanctions orders in the past 3 financial years.
3. How much manpower is responsible for the inspections on the implementation and for the enforcement of the relevant terms of embargoes in Hong Kong?

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 84)

Reply:

Statistics on strategic commodity-related enforcement taken by the Customs and Excise Department (C&ED) in the past three years, i.e. 2016 to 2018, are tabulated below:

	2016	2017	2018
Number of prosecutions	45	33	49
Fine (\$ million)	1.18	0.75	0.94
Value of forfeited goods (\$ million)	10.93	1.17	1.45

In the past three years, C&ED investigated 86 suspected cases of United Nations Security Council (UNSC) sanctions violations. Breakdowns by year are as follows:

	2016	2017	2018
Number of cases	7	28	51

There have been no prosecution or conviction cases initiated by C&ED under the United Nations Sanctions Ordinance. C&ED will continue to maintain a stringent system of implementing UNSC sanctions in accordance with the law. Exercising its statutory authorities, C&ED will follow up on all suspected violations of UNSC sanctions vigorously, and will institute prosecutions when there is sufficient evidence.

As regards staff establishment, apart from the staff responsible for on-site examination of cargoes at boundary control points, C&ED has a total of 47 officers dedicated to the enforcement of strategic trade controls, the control of the provision of services to assist in the development of weapons of mass destruction, and the enforcement against the supply, sale or transfer of arms and other items subject to sanction under the United Nations Sanctions Ordinance.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)237

(Question Serial No. 4804)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please list the respective numbers of reports received, undercover operations conducted, prosecutions instituted and convictions handed down, and the respective amounts of fines in the past 3 financial years for the 5 types of unfair trade practices (including aggressive commercial practices, bait advertising, bait and switch, misleading omissions and wrongly accepting payment) under the Trade Descriptions Ordinance as amended in 2012.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 95)

Reply:

In the past 3 years, the figures in relation to the enforcement of the Trade Descriptions Ordinance by the Customs and Excise Department against the 5 types of unfair trade practices are as follows:

Offence	Breakdown of figures	2016	2017	2018
Misleading omissions	Number of complaints	332	213	278
	Number of prosecutions	6	7	10
	Number of convicted companies/individuals	8	11	7
	Amount of fines	\$2,000 to \$100,000	\$4,000 to \$30,000	\$3,000 to \$5,000
	Imprisonment (excluding suspended sentence)	2 weeks' imprisonment to 2 months' imprisonment	10 weeks' imprisonment	-
	Imprisonment (suspended sentence)	3 months' imprisonment (suspended for 2 years)	3 weeks' imprisonment (suspended for 2 years)	2 months' imprisonment (suspended for 2 years)

Offence	Breakdown of figures	2016	2017	2018
Misleading omissions	Community service order	160 hours	160 hours to 240 hours	160 hours
Aggressive commercial practices	Number of complaints	191	151	312
	Number of prosecutions	3	2	0
	Number of convicted companies/individuals	1	4	0
	Amount of fines	-	-	-
	Imprisonment (excluding suspended sentence)	1 month's imprisonment	-	-
	Imprisonment (suspended sentence)	-	-	-
	Community service order	-	120 hours to 200 hours	-
Bait advertising	Number of complaints	15	8	9
	Number of prosecutions	1	2	0
	Number of convicted companies/individuals	0	1	2
	Amount of fines	-	\$10,000	\$10,000
	Imprisonment (excluding suspended sentence)	-	-	-
	Imprisonment (suspended sentence)	-	-	-
	Community service order	-	-	180 hours
Bait and switch	Number of complaints	11	2	3
	Number of prosecutions	0	0	3
	Number of convicted companies/individuals	0	0	2
	Amount of fines	-	-	\$5,000
	Imprisonment (excluding suspended sentence)	-	-	-
	Imprisonment (suspended sentence)	-	-	-
	Community service order	-	-	120 hours
Wrongly accepting payment	Number of complaints	2 197	376	1 195
	Number of prosecutions	1	2	5
	Number of convicted companies/individuals	0	3	4
	Amount of fines	-	\$48,000	\$24,000 to \$40,000

Offence	Breakdown of figures	2016	2017	2018
Wrongly accepting payment	Imprisonment (excluding suspended sentence)	-	6 months' imprisonment	-
	Imprisonment (suspended sentence)	-	-	14 days' imprisonment (suspended for 1 year)
	Community service order	-	100 hours	-
Number of undercover operations		768	759	337

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)238****(Question Serial No. 1853)**

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding cases of unfair trade practices, please inform this Committee of:

1. the respective numbers of complaints received, investigations, prosecutions and convictions related to the Trade Descriptions Ordinance (TDO) with a breakdown of the figures by type of offence in the past 3 years.
2. the respective numbers of complaints received, investigations, prosecutions and convictions related to the TDO with a breakdown of the figures by nature of business in the past 3 years.

Asked by: Hon LEUNG Che-cheung (LegCo internal reference no.: 47)

Reply:

The numbers of complaints, investigations, prosecutions and convictions related to the enforcement of the Trade Descriptions Ordinance (TDO) by the Customs and Excise Department in the past 3 years were as follows:

Offence	Breakdown of figures	2016	2017	2018
False trade descriptions	Number of complaints	4 476	6 169	9 021
	Number of investigations	92	78	89
	Number of prosecutions	36	47	34
	Number of convicted companies/individuals	40	43	42
Misleading omissions	Number of complaints	332	213	278
	Number of investigations	12	10	5
	Number of prosecutions	6	7	10
	Number of convicted companies/individuals	8	11	7

Offence	Breakdown of figures	2016	2017	2018
Aggressive commercial practices	Number of complaints	191	151	312
	Number of investigations	10	2	13
	Number of prosecutions	3	2	0
	Number of convicted companies/individuals	1	4	0
Bait advertising	Number of complaints	15	8	9
	Number of investigations	1	1	0
	Number of prosecutions	1	2	0
	Number of convicted companies/individuals	0	1	2
Bait and switch	Number of complaints	11	2	3
	Number of investigations	0	0	2
	Number of prosecutions	0	0	3
	Number of convicted companies/individuals	0	0	2
Wrongly accepting payment	Number of complaints	2 197	376	1 195
	Number of investigations	10	9	16
	Number of prosecutions	1	2	5
	Number of convicted companies/individuals	0	3	4
Other offences under the TDO [^]	Number of complaints	38	3	0
	Number of investigations	19	8	17
	Number of prosecutions	24	14	14
	Number of convicted companies/individuals	22	16	15
Total	Number of complaints	7 260	6 922	10 818
	Number of investigations	144	108	142
	Number of prosecutions	71	74	66
	Number of convicted companies/individuals	71	78	72

Offence	Breakdown of figures	2016	2017	2018
Major industries involved	--	<p>Goods: food and beverage, electrical and electronic goods retailers, supermarkets, department stores and convenience stores, ginseng products and dried seafood/ Chinese and Western medicines, etc.</p> <p>Services: fitness and yoga, beauty and hairdressing, travel and education, etc.</p>	<p>Goods: food and beverage, electrical and electronic goods retailers, supermarkets, department stores and convenience stores, ginseng products and dried seafood/ Chinese and Western medicines, etc.</p> <p>Services: travel, beauty and hairdressing, fitness and yoga, furniture, decoration and interior design, etc.</p>	<p>Goods: food and beverage, electrical and electronic goods retailers, ginseng products and dried seafood/ Chinese and Western medicines, supermarkets, department stores and convenience stores, etc.</p> <p>Services: travel, fitness and yoga, beauty and hairdressing, furniture, decoration and interior design, etc.</p>

^ Such as the offences under sections 4 and 12 of the TDO.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)239

(Question Serial No. 0960)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the enforcement of the Trade Descriptions Ordinance (TDO) by the Customs and Excise Department (C&ED), will the Government advise this Committee of:

- (a) the numbers of complaints about false trade descriptions and the numbers of prosecutions initiated in the past 3 years (please provide the breakdown by year);
- (b) the numbers of complaints about unfair trade practices and the numbers of prosecutions initiated in the past 3 years (please provide the breakdown by year); and
- (c) whether an annual target of carrying out spot checks on fair trading in articles (trade descriptions) is set? If yes, what is the target? If no, what are the reasons?

Asked by: Hon OR Chong-shing, Wilson (LegCo internal reference no.: 43)

Reply:

The numbers of complaints received by C&ED and prosecutions initiated concerning the TDO in the past 3 years were as follows:

Offence	Category of figures	2016	2017	2018
False trade descriptions	Number of complaints	4 476	6 169	9 021
	Number of prosecutions	36	47	34
Misleading omissions	Number of complaints	332	213	278
	Number of prosecutions	6	7	10
Aggressive commercial practices	Number of complaints	191	151	312
	Number of prosecutions	3	2	0
Bait advertising	Number of complaints	15	8	9
	Number of prosecutions	1	2	0

Offence	Category of figures	2016	2017	2018
Bait and switch	Number of complaints	11	2	3
	Number of prosecutions	0	0	3
Wrongly accepting payment	Number of complaints	2 197	376	1 195
	Number of prosecutions	1	2	5
Other offences under the TDO [^]	Number of complaints	38	3	0
	Number of prosecutions	24	14	14
Total	Number of complaints	7 260	6 922	10 818
	Number of prosecutions	71	74	66

Remarks: [^] Such as the offences under sections 4 and 12 of the TDO.

C&ED officers will conduct spot checks on traders to verify if they have complied with the Orders under the TDO for provision of information on stones, precious metals and regulated electronic products, as well as the requirements on trade descriptions and trade practices. C&ED sets an annual indicator for spot checks. In 2019, the estimate for the spot checks indicator is 4 000.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)240

(Question Serial No. 2265)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

As indicated in Matters Requiring Special Attention in 2019-20, the Customs and Excise Department (C&ED) will strengthen enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services. Please advise this Committee of:

1. the staff establishment and expenditure involved; and
2. the statistics on enforcement actions related to false trade descriptions and unfair trade practices in 2018-19.

Asked by: Hon QUAT Elizabeth (LegCo internal reference no.: 167)

Reply:

The manpower and expenditure involved in the enforcement of the Trade Descriptions Ordinance (TDO) by C&ED in 2019-20 are as follows:

Year	Manpower involved	Expenditure involved (\$ million)
2019-20 [^]	227	116

Note: [^] In 2019-20, C&ED plans to create 40 posts to enhance the handling of reporting, investigation and relevant enforcement work related to unfair trade practices. Of these new posts, 37 are enforcement officers and 3 are supporting staff.

The numbers of successful prosecutions and cases with written undertakings accepted in relation to C&ED's enforcement of the TDO against false trade descriptions and unfair trade practices in 2018 were as follows:

	2018
Number of successful prosecutions (cases)	66
Number of convictions (company/individual)	72
Number of written undertakings accepted (company/individual)	9

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)241****(Question Serial No. 4232)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-) -Programme: (3) Intellectual Property Rights and Consumer ProtectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

In 2019-20, the Customs and Excise Department (C&ED) will continue to strengthen enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services. Please give details of the relevant estimated expenditure and the staff establishment for this task (with a breakdown of the manpower by post in a table).

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 51)Reply:

In 2019-20[^], a total of 227 C&ED officers will be responsible for the enforcement against false trade descriptions and unfair trade practices in respect of both goods and services, and the related expenditure is about \$116 million. Details of the posts are as follows:

Rank	Number
Principal Trade Controls Officer	1
Chief Trade Controls Officer	5
Senior Trade Controls Officer	18
Trade Controls Officer	65
Assistant Trade Controls Officer	53
Superintendent of Customs and Excise	1
Assistant Superintendent of Customs and Excise	2
Senior Inspector of Customs and Excise	4
Inspector of Customs and Excise	10
Chief Customs Officer	10
Senior Customs Officer	12
Customs Officer	46
Total:	227

Note: [^] In 2019-20, C&ED plans to create 40 posts to enhance the handling of reporting, investigation and relevant enforcement work related to unfair trade practices. Of these new posts, 37 are enforcement officers and 3 are supporting staff.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)242

(Question Serial No. 2724)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) -
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

On the matter of strengthening enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services:

1. Please provide the respective staff establishment and expenditures of the Customs and Excise Department (C&ED) in 2018-19 and 2019-20. What are the changes?
2. In relation to the enforcement of the Trade Descriptions Ordinance (TDO) and the other 3 ordinances on consumer protection, please provide (a) the numbers of complaints received by C&ED, (b) the numbers of prosecutions, (c) the numbers of convictions, (d) the maximum penalty imposed on convicted individuals/companies, and (e) the average penalty imposed in the past 3 years.
3. Please provide (a) the numbers of complaints received by C&ED, (b) the numbers of prosecutions, and (c) the numbers of convictions with a breakdown by type of common offences, including false trade descriptions, misleading omissions and aggressive commercial practices, under the TDO in the past 3 years.

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 60)

Reply:

The manpower and expenditures involved in the enforcement of the 4 ordinances, namely the Trade Descriptions Ordinance (TDO), the Weights and Measures Ordinance, the Consumer Goods Safety Ordinance, and the Toys and Children's Products Safety Ordinance by C&ED in 2018-19 and 2019-20 are as follows:

Ordinance	Type	Year	
		2018/19	2019/20
TDO	Enforcement manpower	190	227 [^]
	Expenditure involved (\$ million)	99.91	116.20
Weights and Measures Ordinance	Enforcement manpower	22	22
	Expenditure involved (\$ million)	11.43	11.43
Consumer Goods Safety Ordinance	Enforcement manpower	19	19
	Expenditure involved (\$ million)	10.29	10.29
Toys and Children's Products Safety Ordinance	Enforcement manpower	16	16
	Expenditure involved (\$ million)	9.15	9.15

Note: [^] In 2019-20, C&ED plans to create 40 posts to enhance the handling of reporting, investigation and relevant enforcement work related to unfair trade practices. Of these new posts, 37 are enforcement officers and 3 are supporting staff.

The figures and information in relation to the enforcement of the 4 above-mentioned ordinances by C&ED in the past 3 years were as follows:

Ordinance	Breakdown of figures and information		2016	2017	2018
TDO	Number of complaints		7 260	6 922	10 818
	Number of prosecutions		71	74	66
	Number of convicted companies/individuals		71	78	72
	Maximum penalty	Fine	\$100,000	\$120,000	\$130,000
		Imprisonment	2 months' imprisonment and a compensation of \$28,160 to the victim	6 months' imprisonment and a compensation of \$10,000 to the victim	6 months' imprisonment (suspended for 3 years)
	Average fine*		\$12,807	\$14,654	\$13,153
Weights and Measures Ordinance	Number of complaints		588	406	396
	Number of prosecutions		24	19	19
	Number of convicted companies/individuals		27	21	20
	Maximum fine		\$10,000	\$9,000	\$10,000
	Average fine*		\$3,283	\$3,342	\$3,284

Ordinance	Breakdown of figures and information		2016	2017	2018
Consumer Goods Safety Ordinance	Number of complaints		129	117	100
	Number of prosecutions		13	5	9
	Number of convicted companies/individuals		13	5	9
Consumer Goods Safety Ordinance	Maximum penalty	Fine	\$28,000	\$15,000	\$55,000
		Imprisonment	-	-	4 months' imprisonment (suspended for 18 months)
	Average fine*		\$17,823	\$8,800	\$23,788
Toys and Children's Products Safety Ordinance	Number of complaints		31	39	18
	Number of prosecutions		1	4	6
	Number of convicted companies/individuals		1	4	6
	Maximum fine		\$2,000	\$10,000	\$66,000
	Average fine*		\$2,000	\$7,875	\$18,000

* The average amount of fine imposed in cases where a fine was handed down.

The figures in relation to C&ED's enforcement of the TDO in the past 3 years were as follows:

Offence	Breakdown of figures	2016	2017	2018
False trade descriptions	Number of complaints	4 476	6 169	9 021
	Number of prosecutions	36	47	34
	Number of convicted companies/individuals	40	43	42
Misleading omissions	Number of complaints	332	213	278
	Number of prosecutions	6	7	10
	Number of convicted companies/individuals	8	11	7
Aggressive commercial practices	Number of complaints	191	151	312
	Number of prosecutions	3	2	0
	Number of convicted companies/individuals	1	4	0
Bait advertising	Number of complaints	15	8	9
	Number of prosecutions	1	2	0
	Number of convicted companies/individuals	0	1	2
Bait and switch	Number of complaints	11	2	3
	Number of prosecutions	0	0	3

Offence	Breakdown of figures	2016	2017	2018
	Number of convicted companies/individuals	0	0	2
Wrongly accepting payment	Number of complaints	2 197	376	1 195
	Number of prosecutions	1	2	5
	Number of convicted companies/individuals	0	3	4
Other offences under the TDO [^]	Number of complaints	38	3	0
	Number of prosecutions	24	14	14
	Number of convicted companies/individuals	22	16	15

Note: [^] Such as the offences under sections 4 and 12 of the TDO.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)243

(Question Serial No. 0622)

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding complaints against unfair trade practices, will the Government advise this Committee of the following information in the past 3 years:

1. the numbers of complaints received against unfair trade practices with a breakdown of the figures by the industry being complained;
2. the respective numbers of urgent complaints and priority complaints;
3. the numbers of successful prosecutions among the complaints received against unfair trade practices; and
4. the staff establishment and expenditure involved in handling complaints against unfair trade practices.

Asked by: Hon WONG Kwok-kin (LegCo internal reference no.: 39)

Reply:

The numbers of complaints received by the Customs and Excise Department (C&ED) under the Trade Descriptions Ordinance (TDO) ^ and successful prosecutions in the past 3 years were as follows:

	2016	2017	2018
Number of complaints	7 260	6 922	10 818
Major industries involved	Goods: food and beverage, electrical & electronic goods retailers, supermarkets, department stores and convenience stores, ginseng products and dried seafood/ Chinese and Western medicines, etc. Services: fitness and yoga, beauty and hairdressing, travel and education, etc.	Goods: food and beverage, electrical & electronic goods retailers, supermarkets, department stores and convenience stores, ginseng products and dried seafood/ Chinese and Western medicines, etc. Services: travel, beauty and hairdressing, fitness and yoga, furniture, decoration and interior design, etc.	Goods: food and beverage, electrical & electronic goods retailers, ginseng products and dried seafood/ Chinese and Western medicines, supermarkets, department stores and convenience stores, etc. Services: travel, fitness and yoga, beauty and hairdressing, furniture, decoration and interior design, etc.
Number of successful prosecutions	64	68	66

Note: ^ The offences under the TDO include: false trade descriptions, misleading omissions, aggressive commercial practices, bait advertising, bait and switch, wrongly accepting payment, and other offences under the TDO, such as the offences under sections 4 and 12.

The numbers of urgent complaints and priority complaints related to the TDO handled by C&ED in the past 3 years were as follows:

Type of complaint	2016	2017	2018
Urgent complaint	100	78	87
Priority complaint	51	43	26

The manpower and expenditures involved in the enforcement of the TDO by C&ED in the past 3 years were as follows:

Year	Manpower involved	Expenditure involved (\$ million)
2016-17	190	92.85
2017-18	190	95.44
2018-19	190	99.91

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)244****(Question Serial No. 3116)**

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated provision for Programme (3) is increased by \$35.4 million (9.8%). This is mainly due to the net increase of 40 posts to meet operational needs and increased operating expenses.

How will the additional posts be deployed? How many of them will be deployed by the Customs and Excise Department (C&ED) to upgrade its capability in the investigation of Internet and electronic crimes relating to infringement of intellectual property rights (IPR)? Regarding the strengthening of enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services, will C&ED deploy additional manpower and increase its inspection frequency? If yes, what are the details? If no, what are the reasons?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 51)

Reply:

The 40 posts to be created by C&ED in 2019-20 are for strengthening the capability of C&ED in handling reporting, investigation and relevant enforcement work related to unfair trade practices. Of these new posts, 37 are enforcement officers and 3 are supporting staff. Details of the posts to be created are as follows:

Rank	Number
Senior Inspector of Customs and Excise	2
Inspector of Customs and Excise	4
Chief Customs Officer	2
Senior Customs Officer	6
Customs Officer	14
Senior Trade Controls Officer	1
Trade Controls Officer	2
Assistant Trade Controls Officer	6

Rank	Number
Confidential Assistant	1
Assistant Clerical Officer	1
Motor Driver	1
Total:	40

C&ED has been closely monitoring IPR infringing activities on the Internet and combating related crimes. In 2018-19, there were a total of 45 C&ED officers dedicated to the relevant work, involving a salary provision of about \$20.1 million. In 2019-20, the resources and manpower to be devoted by C&ED to the relevant work will be similar to the existing level, and C&ED will continue to take action against IPR offences through flexible deployment of existing resources and manpower.

C&ED officers will conduct spot checks on traders to verify if they have complied with the Orders under the Trade Descriptions Ordinance for provision of information on stones, precious metals and regulated electronic products, as well as the requirements on trade descriptions and trade practices. In 2019, the estimate for the spot checks indicator is 4 000.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)245

(Question Serial No. 1032)

Head: (31) Customs and Excise Department

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

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to exploring the setting up of more clearance points in the Mainland under the Single E-lock Scheme (the Scheme), what are the number of newly proposed clearance points, their locations and the estimated expenditure?

Asked by: Hon YICK Chi-ming, Frankie (LegCo internal reference no.: 10)

Reply:

At present, 51 clearance points under the Scheme are set up in the Guangdong Province. These 51 clearance points cover the Province, including many municipalities in the Greater Bay Area. The detailed list and locations of the clearance points can be found on the website of the Customs and Excise Department (C&ED). According to the policy measures promulgated by the Central Government and announced on 1 March 2019, the Scheme would be extended to cover all nine Mainland municipalities in the Greater Bay Area. C&ED will actively follow up with its Mainland counterparts on the measure of setting up more clearance points in the Greater Bay Area, and will further encourage the logistics industry to join the Scheme. Such work is part of the day-to-day operation of C&ED and the related expenses cannot therefore be quantified separately. As regards the setting up of more clearance points under the Scheme by the Mainland authorities in its territory, the relevant work does not involve expenditure of the SAR Government.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)246

(Question Serial No. 0109)

Head: (78) Intellectual Property Department
Subhead (No. & title): (000) Operational expenses
Programme: (1) Statutory Functions
Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Intellectual Property Department (IPD) has indicated that during 2019-20, it will continue to process a voluminous intake of trademark and patent filings, and launch a New Integrated IT System to replace its existing electronic processing systems for trademarks, patents and designs, E-filing System and Online Search System. Regarding the estimated provision of \$128.7 million for Programme (1) Statutory Functions of the IPD:

1. what are the details of the posts required for the system replacement work and the expenditure involved?
2. what are the posts involved and their job nature?
3. what percentage of the estimated provision of \$128.7 million is expected to be spent on the above work?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 1)

Reply:

In 2019-20, the work of replacing the electronic processing systems will be handled by IPD's existing staff from the Intellectual Property Examiner and Analyst/Programmer grades. Such work includes conducting user acceptance tests on certain functions of the system, drawing up user requirements for the contractor to further enhance the system, and providing enquiry and support services to the public as well as users of electronic services. The aforementioned work constitutes only part of the overall duties of the staff concerned. The related total salary expenditure of these staff is about \$1.6 million and it accounts for 1.2% of the estimated provision of \$128.7 million for Programme (1) Statutory Functions of the IPD.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)247

(Question Serial No. 0438)

Head: (78) Intellectual Property Department
Subhead (No. & title): (000) Operational expenses
Programme: (2) Protection of Intellectual Property
Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Intellectual Property Department (IPD) said that it would promote the development of Hong Kong as an intellectual property (IP) trading hub in the Asia-Pacific Region, and the estimate under Programme (2) Protection of Intellectual Property is \$57.1 million. Regarding the development of the Greater Bay Area, it is mentioned under this Programme that the IPD will strengthen co-operation with the Guangdong-Hong Kong-Macao Greater Bay Area so as to assist small and medium enterprises of Hong Kong operating in the Mainland in protecting and managing their IP assets, and support the business sector in strengthening their IP protection and management in the Mainland. In this connection, will the Government inform this Committee of the following:

1. the details of the posts required for and the expenditure involved in the above initiatives;
2. the posts involved and their job nature;
3. the percentage of expenditure on the above initiatives against the estimate of \$57.1 million.

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 12)

Reply:

Over the years, under the framework of the Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights (the Expert Group), IPD has been collaborating with various cities in the Guangdong Province in organising a variety of activities to support the business sector (including small and medium enterprises (SMEs)) in strengthening IP protection and management for their Mainland operations.

On the premise of complementing the advantages of Guangdong and Hong Kong and achieving mutual benefits, the Expert Group has incorporated into its work plan items related to IP co-operation in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), with a view to fully capitalising on the opportunities brought by the GBA Development.

In 2019-20, IPD will take forward a number of IP co-operation items relating to the GBA Development. Such items include promoting the development of high-end IP services industry (including arbitration and mediation) and fostering co-operation between IP trading platforms through activities such as training courses, exchanges and seminars; promoting the sharing of IP information; co-organising the GBA High Value Patent Portfolio Contest with the IP authorities of the Guangdong Province and the Macao SAR; and assisting the business sector in the GBA to develop international brands and enhance their competitiveness. Furthermore, IPD plans to continue the production of publicity videos to showcase how enterprises can succeed in commercialising and promoting their IP worldwide by leveraging on the unique advantages of the GBA Development. These projects can help our businesses operating in the Mainland (including SMEs) to further strengthen the protection and management of IP assets relating to their Mainland operations.

The above co-operation items are mainly implemented by the Marketing Division of IPD. At present, the Marketing Division has a total of 12 staff members. Its scope of work covers publicity and education on various IP rights, promotion of IP trading and collaboration with Mainland and overseas IP authorities. Supporting the business sector (including SMEs) in strengthening IP protection and management in the Mainland is part and parcel of the overall work of IPD's Marketing Division. It is therefore difficult to quantify the resources required for such efforts separately.

Given that IPD's workload in relation to the GBA Development (including projects to support the business sector and SMEs in strengthening IP protection and management for their Mainland operations) will continue to increase in the coming years, an additional provision of \$4.9 million was allocated to IPD in the previous year (i.e. 2018-19) to meet the relevant expenditure in that year and the ensuing 4 years.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)248

(Question Serial No. 5785)

Head: (78) Intellectual Property Department
Subhead (No. & title): (-) -
Programme: (-) -
Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work in relation to the Code on Access to Information, please advise this Committee on the following:

- concerning the requests for information under the Code on Access to Information received by the Intellectual Property Department (IPD) for which only some of the required information was provided, please state in table form: (i) the content of the requests for which only some of the required information was provided; (ii) the reasons for providing some of the information only; and (iii) how the requests were eventually handled.

Year

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) How the requests were eventually handled

- concerning the requests for information under the Code on Access to Information received by the IPD for which the required information was not provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; and (iii) how the requests were eventually handled.

Year

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) How the requests were eventually handled

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 170)

Reply:

During the period from January to September 2018, among the requests for information under the Code on Access to Information received by IPD, there was no case that only some of the required information was provided or the required information was not provided.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)249

(Question Serial No. 0345)

Head: (78) Intellectual Property Department
Subhead (No. & title): (-) -
Programme: (2) Protection of Intellectual Property
Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in Matters Requiring Special Attention in 2019-20 under this Programme that the Intellectual Property Department (IPD) will, inter alia, organise promotion and education activities, in particular for small and medium enterprises, with emphasis on intellectual property protection and management. Please inform this Committee of the details of the relevant work and the expenditure required, the specific plan for the coming year, as well as the effectiveness and expenditure of IPD's work in this respect in recent years.

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 28)

Reply:

Small and medium enterprises (SMEs) have always been the prime target of IPD's promotion and education efforts. Through activities such as seminars and exhibitions organised by IPD or in collaboration with other organisations, we would continue to help SMEs understand the importance of protecting their intellectual property (IP) rights and raise their awareness about innovation and IP trading. Moreover, to tie in with the promotion of Hong Kong as an IP trading hub in the Asia-Pacific region, we would assist SMEs to enhance their competitiveness through IP management and IP commercialisation, so that they may tap the opportunities brought by IP trading. In 2019-20, the programmes targeting SMEs that IPD will carry out in Hong Kong include:

- implementing the "IP Manager Scheme" and the free "IP Consultation Service Scheme", and sponsoring and promoting training courses on IP-related subjects organised by professional bodies and business organisations;
- co-organising the "Business of IP Asia Forum" with the Hong Kong Trade Development Council and the Hong Kong Design Centre;

- producing a video on trade mark for broadcast in Guangdong and Hong Kong, which seeks to promote how enterprises may leverage on the unique advantages of different cities in the Greater Bay Area to commercialise their IP and enter into the global market successfully.
- promoting IP trading and related support services through different channels, including websites, exhibitions, seminars, trade magazines and business associations; and
- collaborating with IP authorities in the Mainland to promote IP protection, management and trading to the business sector regarding their businesses in the Mainland (e.g. co-organising activities with the IP authorities of the Guangdong Province such as seminars and exchange activities for SMEs, and disseminating the latest information on the IP regimes of Guangdong, Hong Kong and Macao).

IPD has all along been keeping in touch with the industry and stakeholders, conducting regular surveys on public awareness of IP protection, and collecting feedback from participants of the relevant promotion and education activities, in assessing the effectiveness of the relevant promotion activities and drawing up appropriate promotion strategies and programme plans. The feedback from the industry and stakeholders is positive in overall terms.

Promoting the protection and management of IP rights to the business sector (including SMEs) is part and parcel of IPD's overall publicity and education plan. It is therefore difficult to quantify the resources required for such efforts separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)250

(Question Serial No. 1736)

Head: (78) Intellectual Property Department
Subhead (No. & title): (-) -
Programme: (2) Protection of Intellectual Property
Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under Matters Requiring Special Attention in 2019-20 that the Intellectual Property Department (IPD) will organise promotion and education activities, in particular for small and medium enterprises (SMEs), with emphasis on intellectual property (IP) protection and management, and continue the out-reach effort to young people on IP protection through school visits and promotion activities. In this connection, please inform this Committee of the following:

- (a) In 2018-19, what promotion and education activities with emphasis on IP protection and management did the Government organise? How many school visits and promotion activities were conducted? What were the respective expenditures involved? How was the importance of copyright protection in the digital environment promoted to the public through such promotion and education activities?
- (b) In 2019-20, what promotion and education activities with emphasis on IP protection and management will the Government organise? How many school visits and promotion activities will be conducted? What are the respective estimated expenditures involved? How will the importance of copyright protection in the digital environment be promoted to the public through such activities?

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 90)

Reply:

IPD attaches great importance to the promotion and education work on enhancing the awareness of and respect for IP rights. Apart from taking forward the "No Fakes Pledge" Scheme (which encourages retail merchants to pledge not to sell counterfeit and pirated products) and the "I Pledge" Campaign (which encourages consumers not to buy or use pirated and counterfeit goods), IPD supports a diversified range of publicity and education activities by co-organising talks, concerts, creativity competitions and large-scale

promotional events with various organisations. IPD also produces Announcements in the Public Interest (APIs) from time to time, and launches activities targeted at schools such as interactive drama activities, an interactive tutorial website, visits to primary and secondary schools as well as talks in tertiary institutions, etc. to put across the messages of respecting creativity, protecting IP rights and stopping online infringement. In 2018, IPD organised 106 interactive drama programmes and 80 school visits for secondary and primary schools, as well as 15 talks in tertiary institutions.

In 2019-20, IPD will continue to implement the above measures which include:

- producing and broadcasting APIs on television;
- producing leaflets for distribution at seminars, exhibitions and schools and for uploading onto IPD’s website;
- organising talks, interactive drama programmes and creativity competitions targeted at students and placing supplements targeted at students in local newspapers;
- launching a brand-new interactive tutorial website; and
- organising a large-scale promotion activity for members of the “I Pledge” Campaign.

When carrying out the above-mentioned promotion and education work to the public, IPD puts great importance on promoting the respect for and protection of copyright in the digital environment. Among others, IPD would quote the latest law enforcement cases in reminding the public (especially young people) not to defy the law by infringing copyright on the Internet. Such cases include the one concluded in December 2017 in which charges of “circumvention of effective technological measures” under the Copyright Ordinance and “conspiracy to defraud” under the common law were applied by the Customs and Excise Department (C&ED) for the first time in the successful prosecution of an infringing case involving TV set top boxes and applications¹. IPD has also been organising different activities with C&ED and the local IP industry through the “Youth Ambassador Against Internet Piracy” scheme they jointly launched in 2006 to enhance the awareness of young people to prevent online infringement. The scheme currently has more than 250 000 members.

Promoting awareness of and respect for IP rights is part and parcel of IPD’s overall publicity and education plan. It is therefore difficult to quantify the resources involved for such efforts separately.

¹ The syndicate mastermind and two other defendants were sentenced to imprisonment ranging from 21 to 27 months. The sentence is the heaviest penalty ever for Internet piracy in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)251

(Question Serial No. 3694)

Head: (78) Intellectual Property Department
Subhead (No. & title): (-) -
Programme: (2) Protection of Intellectual Property
Controlling Officer: Director of Intellectual Property (David WONG Fuk-loi)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in the Matters Requiring Special Attention in 2019-20 that the Intellectual Property Department will continue to work with stakeholders to implement a host of support measures to develop and promote Hong Kong as an intellectual property (IP) trading hub in the Asia-Pacific region. It will also support the business sector in strengthening their IP protection and management in the Mainland (including the Guangdong-Hong Kong-Macao Greater Bay Area) through the Guangdong/Hong Kong Expert Group on the Protection of IP Rights. In this connection, please inform this Committee of the following:

- (a) In 2015, the Working Group on IP Trading released a report with 28 recommended measures to position and promote Hong Kong as an IP trading hub in the region. The recommended action framework comprises 4 strategic areas, namely (I) enhancing the IP protection regime; (II) supporting IP creation and exploitation; (III) fostering IP intermediary services and manpower capacity; and (IV) pursuing promotion, education and external collaboration efforts. What have the Government done under these 4 strategic areas respectively to promote IP trading in Hong Kong in the past year? What are the outcomes and expenditures of such work? What initiatives will be introduced by the Government to promote IP trading in the coming year? What is the expected expenditure?
- (b) How did the Government support the business sector in strengthening their IP protection and management in the Mainland (including the Guangdong-Hong Kong-Macao Greater Bay Area) through the Guangdong/Hong Kong Expert Group on the Protection of IP Rights in the past year? What initiatives will be put in place to support the business sector in strengthening their IP protection and management in the Mainland (including the Guangdong-Hong Kong-Macao Greater Bay Area) in the coming year? What is the expected expenditure involved?

Asked by: Hon MA Fung-kwok (LegCo internal reference no.: 89)

Reply:

The Government has been actively working in collaboration with stakeholders on the implementation of various measures to promote IP commercialisation and IP trading in Hong Kong, and to strengthen Hong Kong's role as an IP trading hub in the Asia-Pacific region. Latest progress of the measures is as follows:

- the Government introduced the Inland Revenue (Amendment) (No. 5) Ordinance 2018 into the Legislative Council (LegCo), which sought to expand the scope of profits tax deductions for capital expenditure incurred for the purchase of IP rights from five types to eight¹. The Ordinance was passed by LegCo on 20 June 2018 and came into operation on 29 June 2018
- the Government has been co-organising the Business of IP Asia Forum with the Hong Kong Trade Development Council and the Hong Kong Design Centre since 2013. The 2018 Forum attracted over 2 600 participants from 28 countries and regions. The 2019 Forum will be held on 5-6 December 2019;
- the Intellectual Property Department (IPD) has launched the IP Manager Scheme for small and medium enterprises (SMEs) since May 2015 with a view to increasing their knowledge of IP and its commercialisation. IPD has, up to February 2019, organised eight training programmes attended by more than 1 500 participants from over 1 200 enterprises. IPD also launched in April 2016 the “IP Manager Practical Workshop” for those who have taken part in these training programmes. IPD has, up to February 2019, run thirteen workshops which were attended by over 400 participants. IPD will continue to run the Scheme;
- IPD has officially launched the free IP Consultation Services Scheme for SMEs since September 2016. IPD has completed over 210 consultation sessions up to February 2019. IPD will continue to promote the relevant service;
- IPD commissioned a Survey on Manpower in IP Trading and Management in 2017 to collect information on the current landscape of the workforce engaged in IP intermediary services and IP trading/management activities in Hong Kong, the types of services engaged by the relevant industry groups, the job level spread and the market demand for the personnel involved. The summary of survey results was released on 28 December 2018;

¹ The types of IP rights newly added to the regime are layout-design of integrated circuits, plant variety rights and rights in performance. Before the legislative amendment, capital expenditure on prescribed IP rights is deductible under specific provisions of the Inland Revenue Ordinance (Cap. 112). The relevant expenditure includes purchase cost of copyright, registered designs, registered trade marks, patent rights and rights to know-how. Of the above IP rights, copyright, registered designs and registered trade marks were categories added in 2011.

- in June 2018, IPD hosted, in collaboration with the IP offices of Mexico and Korea, a two-day workshop in Hong Kong on “Promoting Best Practices in Licensing for Creative Industries”, as an initiative of the Asia-Pacific Economic Cooperation (APEC) IP Expert Group for SMEs in APEC economies (especially SMEs in the creative industries). The event was well-received and attended by some 250 participants comprising SMEs, professional practitioners and government officials from various APEC economies; and
- in November 2018, IPD produced, in collaboration with the IP authorities in Guangdong, a series of videos featuring success stories on IP commercialisation (patents and copyright) by Hong Kong enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), with a view to promoting IP trading and awareness of the IP business opportunities in the area.

Among the above measures, some of them constitute the Government’s regular work and hence have been carried out, and will continue to be carried out, with existing provisions. As regards individual new measures launched in recent years (such as the provision of support services to SMEs, manpower capacity training, and publicity work), IPD’s recurrent provision has been increased by \$5.4 million as from 2018-19, so that the Department may plan for the relevant work and take forward promotion of IP trading in an on-going manner.

Over the years, under the framework of the Guangdong/Hong Kong Expert Group on the Protection of Intellectual Property Rights (the Expert Group), IPD has been collaborating with various cities in the Guangdong Province in organising a variety of activities to support the business sector (including SMEs) in strengthening IP protection and management for their Mainland operations.

On the premise of complementing the advantages of Guangdong and Hong Kong and achieving mutual benefits, the Expert Group has incorporated into its work plan items related to IP co-operation in the GBA, with a view to fully capitalising on the opportunities brought by the GBA Development.

In 2019-20, IPD will take forward a number of IP co-operation items relating to the GBA Development. Such items include promoting the development of high-end IP services industry (including arbitration and mediation) and fostering co-operation between IP trading platforms through activities such as training courses, exchanges and seminars; promoting the sharing of IP information; co-organising the GBA High Value Patent Portfolio Contest with the IP authorities of the Guangdong Province and the Macao SAR; and assisting the business sector in the GBA to develop international brands and enhance their competitiveness. Furthermore, IPD plans to continue the production of publicity videos to showcase how enterprises can succeed in commercialising and promoting their IP worldwide by leveraging on the unique advantages of the GBA Development. These projects can help our businesses operating in the Mainland (including SMEs) to further strengthen the protection and management of IP assets relating to their Mainland operations.

The above co-operation items are mainly implemented by the Marketing Division of IPD. At present, the Marketing Division has a total of 12 staff members. Its scope of work covers publicity and education on various IP rights, promotion of IP trading and collaboration with Mainland and overseas IP authorities. Supporting the business sector

(including SMEs) in strengthening IP protection and management in the Mainland is part and parcel of the overall work of IPD's Marketing Division. It is therefore difficult to quantify the resources required for such efforts separately.

Given that IPD's workload in relation to the GBA Development (including projects to support the business sector and SMEs in strengthening IP protection and management for their Mainland operations) will continue to increase in the coming years, an additional provision of \$4.9 million was allocated to IPD in the previous year (i.e. 2018-19) to meet the relevant expenditure in that year and the ensuing 4 years.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)252

(Question Serial No. 5192)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2019-20, it is stated that the Government will continue to conduct joint overseas marketing activities in partnership with Greater Bay Area cities. Will the Government inform this Committee of the expenditure for it in 2018-19? What were the names and co-organising cities of the aforementioned joint marketing activities? What are the estimated number and expenditure of joint overseas marketing activities in partnership with Greater Bay Area cities in 2019-20?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 335)

Reply:

The Hong Kong Special Administrative Region Government (SARG), together with the People's Government of Guangdong Province and the Macao SARG jointly organised the Seminar on Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) in June 2018, to promote the combined advantages of the Greater Bay Area to over 400 representatives from French enterprises. The expense of the Seminar was around \$0.94 million.

Following the promulgation of the "Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area" in February 2019, Hong Kong SARG, the People's Government of Guangdong Province and the Macao SARG will co-organise a Symposium on Greater Bay Area in Tokyo in April 2019, to showcase the advantages and business opportunities of the Greater Bay Area to Japanese enterprises. The estimate expense of the Symposium is around \$1.6 million.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)253

(Question Serial No. 0439)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: (000) Operational expenses
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated financial provision for the Programme of Investment Promotion in 2019-20 is \$144.3 million, with an increase of 0.2%. It is mentioned in point 6 of the Brief Description of the Programme that Invest Hong Kong (InvestHK) provides one-to-one support services to companies throughout the planning and execution of their expansion in Hong Kong. The Department continues to strengthen its aftercare support service to companies already established in Hong Kong. In this connection, will the Government inform this Committee of:

1. the number of posts and the manpower required to support the work of delivering one-to-one services;
2. the details of the expenditure required and the relevant posts and job nature; and
3. the expected share of the above work in the estimated provision of \$144.3 million?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 13)

Reply:

Invest Hong Kong (InvestHK) offers one-to-one, one-stop, free and customised support services to companies which plan to invest in Hong Kong, or expand their business, from the planning to implementation stages. The support services include –

- Provision of business information: Provide the latest information on Hong Kong's business environment, including sector-specific advice and opportunities, latest tax and business regulations, cost-of-business models, immigration requirements and employment legislation, etc.;

- Business facilitation support: Provide introduction to business service providers, facilitation of visa applications, advice on funding and support schemes provided by the Government, facilitation of meeting with government departments and organisations, advice on opening and maintaining bank accounts, and advice on relocation, etc.; and
- Publicity and networking opportunities: Provide publicity and marketing support, invitation to thematic seminars and networking events, etc.

To align with the Government's overall policy objectives, in the establishment of the InvestHK head office in Hong Kong, we have eight sector teams, including (1) Business and Professional Services; (2) Creative Industries; (3) Consumer Products; (4) Financial Services; (5) Tourism and Hospitality; (6) Transport and Industrial; (7) Innovation and Technology; and (8) Financial Technology. These sector teams provide direct one-to-one service to support overseas, Mainland and Taiwan companies to set up or expand their businesses in Hong Kong. In 2018-19, these eight teams has a total of 47 staff.

In addition, InvestHK Head Office works together with 16 investment promotion units ("IPUs") based in the Hong Kong Economic and Trade Offices, the Beijing Office, the Hong Kong Economic, Trade and Cultural Office in Taiwan, as well as 15 overseas consultants to proactively identify and reach out to companies in the target sectors in key geographical markets, and carry out one-to-one engagement with those companies. In 2018-19, these IPUs consist of 60 members in total.

The total estimated expenditure for InvestHK on investment promotion work in 2019-20 is \$47 million. The figure does not include staff cost and general marketing and promotion expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)254

(Question Serial No. 0320)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Financial Secretary mentioned in the Budget Speech that the total number of companies with regional headquarters in Hong Kong increased to over 1 500 last year, representing a year-on-year growth of over 8%. In this connection, will the Government inform this Committee:

- a) of the reasons for the rapid increase in companies with regional headquarters in Hong Kong last year;
- b) whether there are measures to sustain the growth of overseas enterprises investing in Hong Kong; and
- c) whether the Government has assessed the economic benefits to Hong Kong and the number of new jobs arising from the development of headquarters economy?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 24)

Reply:

Invest Hong Kong ("InvestHK") and the Census and Statistics Department jointly conducted the "2018 Annual Survey of Companies in Hong Kong with Parent Companies Located outside Hong Kong". According to result of the survey, the number of business operations in Hong Kong with parent companies overseas and in the Mainland recorded a growth of 6.4% to 8 754, compared to 8 225 in 2017. Among them, the number of regional headquarters ("RHQs") increased 8.3% from 1 413 in 2017 to 1 530 in 2018.

The survey results indicate Hong Kong's important role as home to the RHQs of many international enterprises, backed by favourable factors such as "simple tax system and low tax rate", "free flow of information", "free port status", "geographical location" and "corruption-free government", as indicated by respondents to the survey.

In order to attract overseas and Mainland companies to invest and establish operations in Hong Kong and to sustain the growth, InvestHK, in 2019-20, will:

- strengthen its investment promotion efforts to encourage multinational companies to set up or expand their businesses in Hong Kong, in particular those from the Mainland and Belt and Road markets, so as to capitalise on the business opportunities arising from the Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay Area development;
- strengthen the aftercare services for foreign and Mainland enterprises and investors in Hong Kong;
- continue to target strategic companies through its Investment Promotion Units in the Economic and Trade Offices, the Beijing Office and the Hong Kong Economic, Trade and Cultural Office in Taiwan as well as overseas consultants;
- continue to strengthen co-operation with organisations promoting Hong Kong overseas, on the Mainland and in Taiwan, such as the Hong Kong Trade Development Council, Hong Kong Tourism Board, Hong Kong Science and Technology Parks Corporation and Cyberport;
- continue to focus investment promotion efforts on priority sectors, with emphasis on financial services, transport and logistics, innovation and technology as well as creative industry sectors;
- continue to attract global start-ups to set up business in Hong Kong and to promote Hong Kong as a leading hub for start-ups and entrepreneurship; and
- continue to conduct joint overseas marketing activities in partnership with Guangdong-Hong Kong-Macao Greater Bay Area cities.

According to the 2018 survey, the total number of persons engaged by the 8 754 companies is 485 000. The creation of jobs and demand for various services (such as financial and professional services) is conducive to Hong Kong's economic development.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)255

(Question Serial No. 0322)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Invest Hong Kong (“InvestHK”) has stated under the Programme that it provides one-to-one support services to companies throughout the planning and execution of their expansion in Hong Kong. In this connection, will the Government inform this Committee of:

- a) the details of one-to-one support services and how many companies were provided with the relevant services in the past year;
- b) whether consideration has been given to visiting Singapore for enhancing the service quality given its rich experience in business support services?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 26)

Reply:

Invest Hong Kong (InvestHK) offers one-to-one, one-stop, free and customised support services to companies which plan to invest in Hong Kong, or expand their business, from the planning to implementation stages. The support services include –

- Provision of business information: Provide the latest information on Hong Kong's business environment, including sector-specific advice and opportunities, latest tax and business regulations, cost-of-business models, immigration requirements and employment legislation, etc.;
- Business facilitation support: Provide introduction to business service providers, facilitation of visa applications, advice on funding and support schemes provided by the Government, facilitation of meeting with government departments and organisations, advice on opening and maintaining bank accounts, and advice on relocation, etc.; and
- Publicity and networking opportunities: Provide publicity and marketing support, invitation to thematic seminars and networking events, etc.

In 2018, InvestHK conducted more than 7 500 meetings with target companies in key geographic markets, generated 843 new projects and completed 436 projects, the latter of which resulted in overseas, Mainland and Taiwan companies setting up or undergoing significant expansion in Hong Kong.

InvestHK constantly seeks to adopt best practices in the context of the Hong Kong business environment, to attract overseas and Mainland companies to set up or expand their existing business in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)256

(Question Serial No. 0323)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in the Programme that Invest Hong Kong (InvestHK) will, apart from providing one-to-one support services to companies investing in Hong Kong, also strengthen its aftercare support service to companies already established in Hong Kong. In this regard, will the Government inform this Committee of:

- a) the details, relevant cases and specific effectiveness of the aftercare support service; and
- b) the number of staff currently responsible for the above one-to-one support services and aftercare support service? Has InvestHK gauged whether the companies are satisfied with the services received?

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 27)

Reply:

Invest Hong Kong ("InvestHK") conducts aftercare contacts with investors who have previously been assisted by InvestHK and other multinational companies which already set up operation in Hong Kong, to keep track of their developments and to help them identify and seize opportunities to grow, expand and create new jobs in Hong Kong. Specifically, InvestHK provides latest market information, advice on business regulations, Government's funding and support schemes, as well as publicity and networking opportunities, etc..

In 2018-19, InvestHK set up a dedicated team to enhance the provision of aftercare services for overseas and Mainland companies. The dedicated team develops a programme to reach out to strategic overseas and Mainland companies in a more structured and systematic manner. It also proactively holds strategic discussions with key investors to help them explore new areas for growth and at the same time promotes Hong Kong's unique advantages and opportunities arising from the Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay Area development, and facilitate the establishment of new functions or expansion in Hong Kong. Focused events such as high-level conferences/roundtables will be organised locally and overseas, in order to effectively engage key corporate decision makers. These events would be themed according to the specific interests and needs of the companies concerned.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)257

(Question Serial No. 0324)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under this Programme that Invest Hong Kong (InvestHK) has, in close collaboration with partners from the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area), conducted joint promotion seminars with the Guangdong Province and Macao in Paris to promote the combined advantages of the Greater Bay Area. The marketing campaign, aimed at promoting Hong Kong as an ideal platform for Mainland companies to go global, continued with promotions in high-growth Mainland cities such as Beijing, Chengdu, Chongqing, Fuzhou, Guangzhou, Hefei, Nanjing, Shanghai, Urumqi, Wuhan and Xiamen. In this connection, please advise this Committee of the details and achievements of these promotional activities as well as the details of similar activities for the coming year.

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 28)

Reply:

The Hong Kong Special Administrative Region Government (SARG), together with the People's Government of Guangdong Province and the Macao SARG jointly organised the Seminar on Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) in June 2018, to promote the combined advantages of the Greater Bay Area to over 400 representatives from French enterprises. In 2018, InvestHK also conducted investment promotion activities in various Mainland cities, including Beijing, Chengdu, Chongqing, Fuzhou, Guangzhou, Hefei, Nanjing, Shanghai, Urumqi, Wuhan and Xiamen, etc., to promote Hong Kong as an ideal platform for Mainland enterprises to go global, and attracted over 1 300 participants. InvestHK completed a total of 101 investment projects for Mainland companies in 2018.

Following the promulgation of the “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area” in February 2019, Hong Kong SARG, the People's Government of Guangdong Province and the Macao SARG will co-organise a Symposium on Greater Bay Area in Tokyo in April 2019, to showcase the advantages and business opportunities of the Greater Bay Area to Japanese enterprises.

At the same time, InvestHK will continue to collaborate with Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to go global. In 2019-20, InvestHK plans to organise investment promotion activities in various Mainland cities such as Beijing, Changsha, Chengdu, Chongqing, Guangzhou, Hefei, Kuming, Nanjing, Shanghai, Xiamen and Zhengzhou, etc.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)258

(Question Serial No. 6029)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: (-) -
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work in relation to the Code on Access to Information, please advise this Committee on the following:

- concerning the requests for information under the Code on Access to Information received by the Invest Hong Kong (InvestHK) for which only some of the required information was provided, please state in table form: (i) the content of the requests for which only some of the required information was provided; (ii) the reasons for providing some of the information only; and (iii) how the requests were eventually handled.

Year

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) How the requests were eventually handled

- concerning the requests for information under the Code on Access to Information received by the InvestHK for which the required information was not provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; and (iii) how the requests were eventually handled.

Year

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) How the requests were eventually handled

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 273)

Reply:

During the period from January to September 2018, among the requests for information under the Code on Access to Information received by the Invest Hong Kong, there was no case that only some of the required information was provided or the required information was not provided.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)259

(Question Serial No. 0019)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2019-20, Invest Hong Kong will continue to focus investment promotion efforts on priority sectors, with emphasis on financial services, transport and logistics, innovation and technology as well as creative industries sectors. What are the specific measures and expenditure to be involved? In the last financial year, what were the achievements of promotion efforts in this regard? What was the expenditure involved? Please provide the figures in respect of key priority sectors.

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 15)

Reply:

In 2019-20, Invest Hong Kong (“InvestHK”) will continue to adopt a sector-focused approach in attracting overseas, Mainland and Taiwan companies in priority sectors and industries where Hong Kong has a clear competitive edge through its global network of Investment Promotion Units and overseas consultants. Specific target industries include financial services, transport and logistics, innovation and technology as well as creative industries sectors.

InvestHK will continue to work in close partnership with other organisations responsible for promoting Hong Kong overseas, including the Economic and Trade Offices, the Hong Kong Trade Development Council, Hong Kong Tourism Board, Hong Kong Science and Technology Parks Corporation, Cyberport and Create Hong Kong through regular meetings and joint promotion events, as well as to organise sector-focused receptions and sponsor major local and overseas events, with a view to promoting the business opportunities in priority sectors.

In 2018, InvestHK completed a total of 436 investment projects, including 52 investment projects from financial services, 37 from transport and logistics, 55 from innovation and technology, 44 from information and communications technology and 42 from creative industries.

InvestHK will continue to reach out to companies in various sectors, and to provide supporting services to companies which have interest to start or expand business in Hong Kong. In 2019-20, InvestHK will step up efforts in the innovation and technology sector to align with the policy objectives of the Government as well as to strengthen the digital marketing and social media strategy for attracting more Mainland and international companies to set up in Hong Kong.

In 2018-19, the estimated actual expenditure for organising and sponsoring sector-focused events is around \$5.9 million while the estimated expenditure in 2019-20 is around \$5.9 million. These figures do not include staff cost or general marketing and promotion expenses which cannot be separately quantified.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)260

(Question Serial No. 0348)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated in Matters Requiring Special Attention in 2019-20 under this Programme that Invest Hong Kong will, inter alia, continue to attract global start-ups to set up business in Hong Kong and to promote Hong Kong as a leading hub for start-ups and entrepreneurship. Please advise this Committee of the effectiveness of such work in the past year. What was the expenditure involved? Which global start-ups were attracted to Hong Kong to start their business? What are the specific work plans for the new financial year? How will Invest Hong Kong promote Hong Kong as a leading hub for start-ups and entrepreneurship? What is the promotion focus and what types of trades are expected to be attracted to Hong Kong for development? What is the estimated expenditure? Please explain in table form.

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 31)

Reply:

Invest Hong Kong (“InvestHK”) launched its StartmeupHK programme in 2013 to provide a one-stop service platform to global start-ups. The objective of the initiative is to promote Hong Kong as a leading hub for entrepreneurship, and to encourage innovative and scalable start-ups to use Hong Kong as a launch pad to grow their businesses.

In 2018, InvestHK assisted 53 innovation-driven and technology-driven start-ups to set up their business operations in Hong Kong. They come from different sectors including innovation and technology, information and communications technology, financial technology etc.

To track the growth of the start-up ecosystem, InvestHK conducted its fifth annual survey in 2018 to poll operators of major co-work spaces, incubation and accelerator programmes in Hong Kong. The results showed that as at November 2018, a total of 2 625 start-ups were operating in these premises, representing an increase of 18% (or 396 start-ups) over the past year, and the number of people employed by start-ups also increased by some 51% to about 9 548.

To showcase the vibrant environment of Hong Kong as a leading hub for start-ups, the annual StartmeupHK Festival (“the Festival”) has been organised since 2016. In 2018-19, the week-long Festival was held from 21 to 25 January 2019. InvestHK worked with different domain experts to roll out a series of activities which included keynote speeches, panel discussions, exhibition areas, career fair, investor workshops, one-to-one business matching meetings, startup and student pitches, and an open innovation forum, covering themes such as healthtech, lifestyle and retail technology, smart city, artificial intelligence and education, and co-innovation between start-ups and corporates. The Festival attracted over 17 000 delegates. In 2019-20, InvestHK will continue to organise the Festival covering different focus areas.

In addition, InvestHK will continue to step up its outreach work to start-up communities in other locations through attendance and sponsorship of international events, regular meetings with multipliers such as incubators, accelerators and co-work spaces, direct contact with entrepreneurs, hosting its own events and working in conjunction with Economic and Trade Offices and organisations such as Cyberport, Hong Kong Science and Technology Parks Corporation to promote Hong Kong as a major start-up hub.

In 2019-20, InvestHK plans to stage/sponsor start-up events in Amsterdam, Bangkok, London, Madrid, Mainland China, San Francisco and Toronto to reach out to potential entrepreneurs.

The estimated actual expenditure for conducting the related investment promotion activities for 2018-19 is around \$7.4 million; while the estimated expenditure for 2019-20 is around \$7.4 million. These figures do not include general marketing and promotion expenses which cannot be separately quantified. As the investment promotion activities are mostly of cross-sector nature, we are unable to provide separate breakdown by sectors.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)261

(Question Serial No. 0350)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2019-20, it is stated that Invest Hong Kong (InvestHK) will, inter alia, “strengthen investment promotion efforts to encourage multinational companies to set up or expand their businesses in Hong Kong, in particular those from the Mainland and Belt and Road markets, so as to capitalise on the business opportunities arising from Greater Bay Area development and the Belt and Road Initiative”. Please advise this Committee of the effectiveness of such work in 2018-19 and the expenditure involved. Please provide specific figures or cases for illustration. What are the specific plans for the coming financial year? How much funding will be allocated to implement the related measures? What is the expected outcome?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 33)

Reply:

Invest Hong Kong (“InvestHK”) conducts marketing campaigns and seminars as well as investment promotion visits, to attract and assist multinational companies (in particular those from the Mainland and markets along the Belt and Road) to set up or expand their business operations in Hong Kong, thereby seizing the business opportunities arising from the Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay Area development. InvestHK also maintains liaison with consulates and chambers of commerce to connect with the Mainland and overseas companies that have set up in Hong Kong to facilitate their business expansion. In 2018, InvestHK assisted 176 companies from the Mainland and markets along the Belt and Road.

On the Mainland market, InvestHK has been partnering with the Ministry of Commerce of the Central People's Government and other relevant local authorities such as provincial or municipal bureau of commerce as well as local industrial and commercial organisations to conduct investment promotion seminars in the Mainland, with a view to introducing to the business sector the competitive edges of Hong Kong. In 2018, these seminars were held in various Mainland cities, including Beijing, Chengdu, Chongqing, Fuzhou, Guangzhou, Hefei, Nanjing, Shanghai, Urumqi, Wuhan and Xiamen, etc. InvestHK also partnered with the Hong Kong Trade Development Council and other organisations, such as the China Overseas Development Association, to participate in major trade fairs and conferences held in the Mainland, such as the China International Fair for Investment and Trade in Xiamen. Furthermore, we organised two study missions in Hong Kong for Mainland enterprises and conducted briefing sessions for more than 40 incoming Mainland delegations on Hong Kong's investment environment.

With the establishment of its Investment Promotion Unit in Jakarta in 2018 and the one in Bangkok to be set up in the latter half of 2019, InvestHK will further strengthen its investment promotion effort in the markets along the Belt and Road.

To better seize the business opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development, in 2019-20, InvestHK will continue its efforts in reaching out to potential companies through marketing campaigns, seminars and investment promotion visits. We are planning to organise investment promotion seminars in Mainland cities such as Beijing, Chengdu, Changsha, Chongqing, Guangzhou, Hefei, Kuming, Nanjing, Shanghai, Xiamen, and Zhengzhou. We will also continue to collaborate with Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to go global.

The total estimated expenditure for InvestHK on investment promotion work in 2019-20 is \$47 million. The figure does not include staff cost and general marketing and promotion expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)262

(Question Serial No. 0620)

Head: (79) Invest Hong Kong
Subhead (No. & title): (-) -
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Invest Hong Kong (InvestHK) will strengthen co-operation with organisations promoting Hong Kong overseas, on the Mainland and in Taiwan (such as the Hong Kong Trade Development Council, Hong Kong Tourism Board, Hong Kong Science and Technology Parks Corporation and Cyberport). With regard to Taiwan, what promotional activities were organised by InvestHK and what collaboration projects were achieved jointly with organisations related to Hong Kong last year? In respect of efforts to strengthen co-operation in the year, what are the specific plans?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 49)

Reply:

In 2018-19, InvestHK through its Investment Promotion Unit based in the Hong Kong Economic, Trade and Cultural Office in Taiwan, directly reached out to potential companies and promoted the business advantages of Hong Kong through one-to-one meetings as well as various forms of marketing activities. In addition, InvestHK partnered with Hong Kong Science and Technology Parks Corporation and Cyberport to provide sector-specific information to companies of the innovation and technology (I&T) field in assisting them to set up or expand their operations in Hong Kong. In May and June 2018, InvestHK assisted Hong Kong Science and Technology Parks Corporation, during the latter's visits to Taiwan, to reach out to local I&T companies and start-up companies.

In 2018, InvestHK assisted 16 companies from Taiwan to set up or expand their business in Hong Kong.

In 2019-20, InvestHK will maintain its partnership with the Taiwan business community and conduct investment promotion visits to various Taiwan cities. InvestHK will reach out to a wide spectrum of companies to encourage them to set up business in Hong Kong, thereby seizing the business opportunities arisen from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)263

(Question Serial No. 3115)

Head: (79) Invest Hong Kong

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

Programme: Investment Promotion

Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the coming year, Invest Hong Kong will strengthen investment promotion efforts to encourage multinational companies to set up or expand their businesses in Hong Kong, in particular those from the Mainland and Belt and Road (B&R) markets, so as to capitalise on the business opportunities arising from Greater Bay Area development and the B&R Initiative.

Nonetheless, the estimate has only increased by \$0.3 million (0.2%). Will this be sufficient for the operation and the promotion of business opportunities arising from the Greater Bay Area plan and the B&R Initiative to multinational companies in the coming year?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 47)

Reply:

In 2019-20, Invest Hong Kong (“InvestHK”) will continue to conduct marketing campaigns and seminars as well as investment promotion visits, to attract and assist multinational companies (in particular those from the Mainland and markets along the Belt and Road) to set up or expand their business operations in Hong Kong, thereby seizing the business opportunities arising from the Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay Area development. InvestHK will also maintain liaison with consulates and chambers of commerce to connect with the Mainland and overseas companies that have set up in Hong Kong to facilitate their business expansion.

With the establishment of its Investment Promotion Unit in Jakarta in 2018 and the one in Bangkok to be set up in the latter half of 2019, InvestHK will further strengthen its investment promotion effort in the markets along the Belt and Road.

To better seize the business opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development, in 2019-20, InvestHK will continue its efforts in reaching out to potential companies through marketing campaigns, seminars and investment promotion visits. We are planning to organise investment promotion seminars in Mainland cities such as Beijing, Changsha, Chengdu, Chongqing, Guangzhou, Hefei, Kuming, Nanjing, Shanghai, Xiamen, and Zhengzhou. We will also continue to collaborate with Mainland authorities and business associations to promote Hong Kong as an ideal platform for Mainland companies to go global.

The estimated actual expenditure incurred in 2018-19 and total estimated expenditure in 2019-20 for InvestHK on investment promotion work are \$44 million and \$47 million respectively. These figures do not include staff cost and general marketing and promotion expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)264

(Question Serial No. 0844)

Head: (79) Invest Hong Kong
Subhead (No. & title): (000) Operational expenses
Programme: Investment Promotion
Controlling Officer: Director-General of Investment Promotion (Stephen PHILLIPS)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

What is the expenditure for assisting multinational companies and investors from markets not along the Belt and Road to invest in Hong Kong in the estimate of Invest Hong Kong?

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 14)

Reply:

Invest Hong Kong (“InvestHK”) reaches out directly to potential companies through its network of overseas Investment Promotion Units (“IPUs”) in the Economic and Trade Offices and consultants, and promotes the business advantages of Hong Kong through various forms of marketing activities.

InvestHK plans to conduct a series of investment promotion visits to various overseas target markets to underline Hong Kong’s business advantages and to attract more overseas companies to set up businesses in Hong Kong, so as to tap on the business opportunities arising from the Belt and Road Initiative and Guangdong-Hong Kong-Macao Greater Bay Area development. InvestHK will also maintain liaison with consulates and chambers of commerce to connect with those overseas companies that have set up in Hong Kong to facilitate their business expansion. InvestHK will also sponsor suitable events, such as Art Business Conference in New York, Investing in Aviation Finance: Europe in London, and Collision Conference in Toronto.

The total estimated expenditure for InvestHK on investment promotion work in 2019-20 is \$47 million. The figure does not include staff cost and general marketing and promotion expenses which cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)265

(Question Serial No. 4733)

Head: (168) Hong Kong Observatory

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

Programme: (3) Time Standard and Geophysical Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please set out in tabular form the sighting of an Unidentified Flying Object (UFO) in the 18 districts in Hong Kong recorded by the Hong Kong Observatory in the past 5 years. Which district and which time slot have recorded the highest number of UFO sightings?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 308)

Reply:

The Hong Kong Observatory received a total of 88 reports of Unidentified Flying Object (UFO) from members of the public from 2014 to 2018. The breakdown of reports each year by districts is shown in Annex A, and the breakdown by time slots is shown in Annex B. Sai Kung is the district with the highest number of UFO sightings (i.e. 9 reports of such sightings). The time slot from 6:00 p.m. to 7:59 p.m. has the highest number of UFO sightings (i.e. 19 reports of such sightings).

Number of sightings of Unidentified Flying Object (UFO) by members of the public
from 2014 to 2018 by districts

District	Calendar year					Sub-total of each district in 2014-2018
	2014	2015	2016	2017	2018	
Hong Kong Island – Eastern	2	1	1	-	-	4
Hong Kong Island – Wan Chai	3	-	1	1	-	5
Hong Kong Island – Central and Western	-	2	1	-	2	5
Hong Kong Island – Southern	1	-	1	1	-	3
Kowloon East – Kwun Tong	-	-	-	-	2	2
Kowloon East – Wong Tai Sin	1	-	-	-	-	1
Kowloon West – Yau Tsim Mong	-	-	2	-	-	2
Kowloon West – Kowloon City	-	1	-	-	2	3
Kowloon West – Sham Shui Po	-	1	-	1	1	3
New Territories East – Sai Kung	-	-	3	2	4	9
New Territories East – Sha Tin	2	1	-	-	2	5
New Territories East – Tai Po	-	-	-	1	-	1
New Territories East – North	1	-	1	2	1	5
New Territories West – Kwai Tsing	1	3	-	1	-	5
New Territories West – Tsuen Wan	2	-	-	3	3	8
New Territories West – Tuen Mun	2	-	1	-	2	5
New Territories West – Yuen Long	1	1	1	1	2	6
New Territories West – Islands	1	-	3	-	1	5
Others (District not mentioned in reports)	4	-	4	1	2	11
Sub-total of all districts each year	21	10	19	14	24	-
Total	88					

Number of sightings of Unidentified Flying Object (UFO) by members of the public
from 2014 to 2018 by time of the day

Time Slot	Calendar year					Sub-total of each time slot in 2014-2018
	2014	2015	2016	2017	2018	
00:00 - 01:59	2	1	-	-	-	3
02:00 - 03:59	-	-	2	-	-	2
04:00 - 05:59	-	-	-	-	-	0
06:00 - 07:59	1	1	-	1	1	4
08:00 - 09:59	1	1	-	2	1	5
10:00 - 11:59	1	-	1	-	-	2
12:00 - 13:59	1	1	-	-	-	2
14:00 - 15:59	-	-	2	-	1	3
16:00 - 17:59	4	2	1	2	6	15
18:00 - 19:59	1	1	8	5	4	19
20:00 - 21:59	2	3	1	-	2	8
22:00 - 23:59	3	-	-	1	5	9
Others (Time not mentioned in reports)	5	-	4	3	4	16
Sub-total of all time slots each year	21	10	19	14	24	-
Total	88					

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)266

(Question Serial No. 5197)

Head: (168) Hong Kong Observatory
Subhead (No. & title): (-) -
Programme: (1) Weather Services
Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi-ming)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2019-20 for this Programme, the Government indicated that it will develop a website to provide weather information services for the Guangdong-Hong Kong-Macao Greater Bay Area in collaboration with relevant meteorological authorities of the Mainland and Macao. Will the Government inform this Committee the recurrent expenditure in 2019-20, the manpower arrangement and the estimated annual expenditure on emoluments involved with the above work?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 340)

Reply:

The Hong Kong Observatory (HKO) is developing the “Guangdong-Hong Kong-Macao Greater Bay Area Weather Website” in collaboration with the Guangdong Meteorological Bureau and the Macao Meteorological and Geophysical Bureau to provide weather information of about 60 districts in 11 cities within the Guangdong-Hong Kong-Macao Greater Bay Area (“Greater Bay Area”). HKO carries out such work with existing manpower and resources. As the expenditure has been subsumed into the provision for HKO, it is difficult to quantify the amount involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)267

(Question Serial No. 5198)

Head: (168) Hong Kong Observatory

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

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In this Programme, the Administration indicates an increase of 20 posts in 2019-20. Will the Administration advise this Committee on the post titles, responsibilities and estimated annual expenditure on emoluments of the 20 posts increased in 2019-20?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 341)

Reply:

Under Programme (1) Weather Services, there will be an increase of 20 posts in the Hong Kong Observatory (HKO) in 2019-20, including officers from various grades such as Scientific Officer, Experimental Officer, Radar Specialist Mechanic, Executive Officer and Analyst/Programmer, etc. The notional annual mid-point salary value of these 20 posts in 2019-20 is about \$17.86 million. Their main responsibilities include:

- supporting the provision of forecasting and warning services related to high-impact extreme weather;
- supporting the Three-Runway System project at the Hong Kong International Airport and developing regional aviation weather services;
- enhancing the quality management of public weather services; and
- supporting the development of global and regional weather information services.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)268

(Question Serial No. 4321)

Head: (168) Hong Kong Observatory

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

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please provide the expenditure of the Community Weather Information Network (Co-WIN) in 2018-19 as well as the objectives and specific estimates for promoting Co-WIN in 2019-20.

Please list the details of the initiative of the Hong Kong Observatory to deliver weather services through social networking platforms, and the estimated expenditure involved in 2019-20.

Please state the details of the Observatory's enhancement of media weather services and the estimated expenditure involved in 2019-20.

Please provide the total number of downloads of the mobile application "MyObservatory" since its launch. Please provide the expenditure for the Observatory's regular updating of its mobile application "MyObservatory" in 2019-20.

Please describe in detail the damage to the facilities of the Observatory and any impacts to the Observatory's weather services when Super Typhoon Mangkhut battered Hong Kong in 2018, as well as the expenditure involved in repairing the facilities.

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 65)

Reply:

The Community Weather Information Network (Co-WIN) is a public education initiative taken by the Hong Kong Observatory (HKO) in collaboration with the Hong Kong Polytechnic University and the Chinese University of Hong Kong. Members of the network share weather observation data through a platform on the Internet for real-time public dissemination. In 2019-20, Co-WIN will continue to organise "Weather Observation Investigative Study and Weather Photos Competition" to encourage students to

undertake first-hand weather observations, so as to enhance their knowledge of weather and climate.

HKO launched the official Facebook page and Instagram platform in March 2018 to enhance the provision of weather services and public communication via social media. In 2019-20, HKO will continue to make use of the Facebook page to enhance public awareness of weather and climate and promote understanding of various geophysical phenomena and HKO's services through articles, photos and videos. The Instagram platform will continue to focus on the sharing of photos and videos, especially weather and atmospheric optical phenomena of interest to the public, meteorological instruments and other relevant information. Furthermore, HKO will continue to utilise various social media platforms including YouTube, Twitter, Sino Weibo and WeChat to provide weather services (including weather programmes, weather reports, warnings of hazardous weather and earthquake messages), as well as to promote weather observation and meteorological education.

In 2019-20, HKO will continue to provide the media with its self-produced television weather programmes and "Cool Met Stuff" public education videos. HKO will continue to produce public education videos related to storm surge to further enhance public awareness on disaster prevention.

The total number of downloads of "MyObservatory" mobile app from its launch to end-February 2019 is about 7.8 million. HKO would update the mobile app regularly.

The provision of weather services (including the related public education) through the various channels above is part of HKO's day-to-day work. As the expenditure required has been subsumed under the regular provision for HKO, it is difficult to quantify the amounts separately.

Super Typhoon "Mangkhut" battered Hong Kong in September 2018, causing damages to a few meteorological instruments and facilities of HKO (such as anemometers, weather cameras, and weather stations, etc.). Nevertheless, HKO can still maintain its normal weather services, and the repair of damaged instruments and facilities has largely been completed. As the repair and maintenance of meteorological instruments and facilities are part of HKO's day-to-day work, it is difficult to quantify the amount involved separately. As regards the damage to the buildings of HKO's weather stations, HKO is following up with relevant works departments regarding the repair works and the expenses involved.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)269

(Question Serial No. 4323)

Head: (168) Hong Kong Observatory

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

Programme: (3) Time Standard and Geophysical Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi Ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please list the number of talks on climate change expected to be organised by the Hong Kong Observatory and the estimated expenditure involved in 2019-2020.

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 67)

Reply:

In 2019-20, the Hong Kong Observatory (HKO) plans to organise around 50 talks on climate change. These activities are part of HKO's day-to-day work. As the expenditure required has been subsumed under the regular provision for HKO, it is difficult to quantify the amount separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)270

(Question Serial No. 4341)

Head: (168) Hong Kong Observatory

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

Programme: Not specified

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work in relation to the Code on Access to Information, will the Administration advise this Committee on the following:

1) Concerning the requests for information under the Code on Access to Information received by the Hong Kong Observatory for which only some of the required information was provided, please state in table form: (i) the content of the requests for which only some of the required information was provided; (ii) the reasons for providing some of the information only; and (iii) how the requests were eventually handled.

Year

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) How the requests were eventually handled

2) Concerning the requests for information under the Code on Access to Information received by the Hong Kong Observatory for which the required information was not provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; and (iii) how the requests were eventually handled.

Year

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) How the requests were eventually handled

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 85)

Reply:

During the period from January to September 2018, among the requests for information under the Code on Access to Information received by the Hong Kong Observatory (HKO), there was no case that only some of the required information was provided, or the required information was not provided.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)271

(Question Serial No. 6304)

Head: (168) Hong Kong Observatory

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

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi Ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What were the respective numbers of downloads of the various mobile apps of the Hong Kong Observatory (HKO) in the past 3 years?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 353)

Reply:

In the past 3 years (2016-2018), the total number of downloads of the Hong Kong Observatory's (HKO) mobile app "MyObservatory" is about 2.26 million, while that of the mobile app "MyWorldWeather" operated by HKO on behalf of the World Meteorological Organization is about 100 000.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)272

(Question Serial No. 3081)

Head: (168) Hong Kong Observatory

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

Programme: (3) Time Standard and Geophysical Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

On studies related to climate change of Hong Kong, please inform this Committee:-
details of studies, manpower and schedule concerned.

Asked by: Hon CHU Hoi-dick (LegCo internal reference no.: 1055)

Reply:

The Hong Kong Observatory (HKO) has been conducting, with existing resources, a number of studies related to climate change. Studies completed in the past five years (i.e. 2014-15 to 2018-19) included those on projections of annual rainfall, mean sea level, extreme temperature and rainfall and wet-bulb temperature. Relevant results have been published on HKO's website.

HKO is currently conducting a study of climate projection using a regional climate model. The study is expected to be completed in 2021.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)273****(Question Serial No. 4527)**

Head: (168) Hong Kong Observatory

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

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Hong Kong Observatory is developing the “Guangdong-Hong Kong-Macao Greater Bay Area Weather Website” in collaboration with relevant meteorological authorities of the Mainland and Macao, which would to be launched in March 2019 to provide weather information services for the Guangdong-Hong Kong-Macao Greater Bay Area. Please advise:

1. Please list the expenditure shared by various meteorological authorities in developing the “Guangdong-Hong Kong-Macao Greater Bay Area Weather Website” and the respective content being developed using the following table:

Meteorological Authority	Expenditure	Content developed
Hong Kong Observatory		
Macao Meteorological and Geophysical Bureau		
Guangdong Meteorological Bureau		
Guangzhou Meteorological Bureau		
Meteorological Bureau Of Shenzhen Municipality		
Zhuhai Meteorological Bureau		
Foshan Meteorological Service		
Dongguan Meteorological Bureau		
Zhongshan Meteorological Service		
Jiangmen Meteorological Service		
Huizhou Meteorological Service		
Zhaoqing Meteorological Service		

2. In the process of developing the website, is the Hong Kong Observatory required to develop weather forecast products and provide weather data in collaboration with the

meteorological authorities of the Mainland and Macao? If yes, what are the details and expenditure involved. If not, what are the reasons?

Asked by: Hon FAN Kwok-wai, Gary (LegCo internal reference no.: 71)

Reply:

The Hong Kong Observatory (HKO) is developing the “Guangdong-Hong Kong-Macao Greater Bay Area Weather Website” in collaboration with the Guangdong Meteorological Bureau and the Macao Meteorological and Geophysical Bureau to provide weather information of about 60 districts in 11 cities within the Guangdong-Hong Kong-Macao Greater Bay Area (“Greater Bay Area”). The website is expected to be launched in the first half of 2019, with existing weather products and data provided by each of the three meteorological authorities of Guangdong, Hong Kong and Macao (including HKO), and with HKO taking charge of operating the new website. HKO carries out such work with existing resources. As the expenditure has been subsumed into the provision for HKO, it is difficult to quantify the amount involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)274

(Question Serial No. 4529)

Head: (168) Hong Kong Observatory
Subhead (No. & title): (-) -
Programme: (3) Time Standard and Geophysical Services
Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi-ming)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

As indicated in Matters Requiring Special Attention in 2019-20 under this Programme, the Hong Kong Observatory will continue to monitor and study climate change issues, provide relevant government bureaux/departments with latest information and assessment of climate change and its impacts to support their studies, and develop new methodology for the projection of likely impacts on Hong Kong, amongst other work. Provision for 2019–20 is \$3.6 million (27.9%) higher than the revised estimate for 2018–19, mainly due to the increase of five posts in 2019–20, increased operating expenses and increased requirement for capital expenditure. Please advise on:

1. the details of the increased expenditure and the reason for the increase in provision, including the scope of work and salaries of the five new posts, etc.
2. the amount of the additional provision to be spent on monitoring and studying climate change issues and supporting outreach activities to promote the public understanding of resilience-building measures in combating climate change.

Asked by: Hon FAN Kwok-wai Gary (LegCo internal reference no.: 73)

Reply:

Under Programme (3), the provision for 2019–20 of the Hong Kong Observatory (HKO) is \$3.6 million higher than the revised estimate for 2018–19, mainly due to the increase of five posts in 2019-20, increased operating expenses and increased requirement for capital expenditure. The five additional posts include officers such as Scientific Officer, Experimental Officer and Radar Specialist Mechanic.

The additional manpower and provision required by HKO is mainly for enhancing the support for work related to extreme weather and climate change, and enhancing the work on installation and maintenance of equipment related to sea level and marine observations.

Since the additional posts and provision also involve other areas of work, it is difficult for HKO to quantify the amounts involved for individual areas separately.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)275****(Question Serial No. 1180)**

Head: (168) Hong Kong Observatory

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

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the Cold Weather Warning, please advise on the respective figures on Cold Weather Warnings issued by the Hong Kong Observatory (HKO) in the past 3 years (2016-17 to 2018-19), and the figures on those involving reported death of or damage to vegetables and fish. Please also provide the respective dates of warnings issued and reports received.

Asked by: Hon HO Chun-yin, Steven (LegCo internal reference no.: 63)

Reply:

The number and dates of Cold Weather Warnings issued by the Hong Kong Observatory in the past three years (2016-17 to 2018-19) are as follows:

	Number and dates of Cold Weather Warnings issued	Number of times involving reported loss of crops or death of fish [#]	Dates of report [#]
2016 –2017	4 (27 to 29 December 2016) (21 to 22 January 2017) (8 to 12 February 2017) (23 to 27 February 2017)	Crops: 0 Fish: 0	-
2017 –2018	5 (16 to 21 December 2017) (8 to 14 January 2018) (28 January to 8 February 2018) (10 to 13 February 2018) (8 to 9 March 2018)	Crops: 0 Fish: 3	5 February 2018 6 February 2018 14 February 2018

	Number and dates of Cold Weather Warnings issued	Number of times involving reported loss of crops or death of fish [#]	Dates of report [#]
2018 –2019 (up to end of February)	1 (28 December 2018 to 2 January 2019)	Crops: 0 Fish: 0	-

[#] Figures provided by Agriculture, Fisheries and Conservation Department.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)276

(Question Serial No. 2730)

Head: (168) Hong Kong Observatory

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

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Item 7

Conducting studies on topics related to tropical cyclone activities and extreme weather events

Please advise on the following:

1. Whether the above mentioned studies are carried out as internal studies or through the commissioning of consultants?
2. Name of the consultants (if any)?
3. How many studies are involved?
4. What are the content, expenditure required and year of completion of each study?
5. Will each of the study be promulgated to the public after its completion? If yes, what are the promulgation channels? If not, what are the reasons?

Asked by: Hon HUI Chi-fung (LegCo internal reference no.: 1)

Reply:

The Hong Kong Observatory (HKO) conducted a number of studies in 2018-19 relating to tropical cyclone activities and extreme weather events. These studies were carried out either with existing manpower and resources or in partnership with academic institutions. No consultant was commissioned to conduct these studies. The content, years of completion and channels for promulgating the research findings of these studies are shown in Annex 1. Conducting the above studies is part of HKO's day-to-day work. As the expenditure required has been subsumed under the regular provision for HKO, it is difficult to quantify the amount separately.

Content, years of completion and channels for promulgating research findings of HKO's studies in 2018-19 relating to tropical cyclone activities and extreme weather events

	Study content	Year of completion	Channel of promulgation
1	Analyzing the wind strength, storm surge and rainfall associated with Super Typhoon Mangkhut in 2018 and assessing the damages Mangkhut brought to Hong Kong	2018	HKO website
2	Application of aircraft observation assimilation in the forecast of Typhoon Nida	2018	Academic journal and HKO website
3	The first complete dropsonde observation of a tropical cyclone over the South China Sea by the HKO	2018	Academic journal and HKO website
4	Developing a spatial pressure field model for tropical cyclones	2019	Academic journal and HKO website
5	Observation and simulation of a tornado event in Hong Kong on 29 August 2018	2019	Academic journal and HKO website
6	Using a land use data related statistical model to assess the spatial variability of extreme hot weather conditions in Hong Kong	2019	Academic journal and HKO website

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)277****(Question Serial No. 4909)**Head: (168) Hong Kong ObservatorySubhead (No. & title): (-) -Programme: Not specifiedControlling Officer: Director of the Hong Kong Observatory (SHUN Chi-ming)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

1. In the past 3 years, how many school visits were received by the Hong Kong Observatory (HKO) and how many outreach activities were arranged for schools? Please use the table below to provide information.

Year	Number of school visits received				Number of outreached activities for schools			
	Kindergarten	Primary School	Secondary School	Special School	Kindergarten	Primary School	Secondary School	Special School
2018								
2017								
2016								

2. How many requests for school visits did HKO receive in each of the past 3 years? If there were cases when such requests were rejected, what was the common reason?

3. How many requests did HKO receive in each of the past 3 years for arranging outreach activities for schools? If there were cases when such requests which were rejected, what was the common reason?

Asked by: Hon IP Kin-yuen (LegCo internal reference no.: 163)

Reply:

The Hong Kong Observatory (HKO) received 171 school visits and arranged 85 outreach activities for schools in the past 3 years (2016-2018). Details are as follows:

Year	Number of school visits				Number of outreach activities for schools			
	Kindergarten	Primary School	Secondary School	Special School	Kindergarten	Primary School	Secondary School	Special School
2018	5	18	28	4	0	9	17	1
2017	11	19	30	1	0	14	6	0
2016	13	11	28	3	0	19	17	2

From 2016 to 2018, HKO received applications for visits from 112, 123 and 86 schools (including kindergartens, primary schools, secondary schools and special schools) respectively. Due to site limitations, HKO arranged visits for schools selected by way of drawing lots.

HKO received 85 requests for arranging outreach activities for schools from 2016 to 2018. All such requests were accepted.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)278

(Question Serial No. 0768)

Head: (168) Hong Kong Observatory

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

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding weather services and conveying meteorological knowledge to the public, please inform the Committee:

(1) the quantity of educational video clips produced in relation to the Super Typhoon Mangkhut, the number of views, the manpower and expenses concerned;

(2) the manpower, expenses and advertisement expenses on the social media platforms, i.e. Facebook and Instagram, by the Hong Kong Observatory since March 2018. Please publish the i) highest, ii) lowest and iii) average rates of interaction of Facebook posts. Is there any assessment on which types of topics are more popular with the public?

(3) any initiatives in the year of 2019 to continuously promote to the public on matters related to weather and meteorology.

Asked by: Hon LAU Kenneth Ip-keung (LegCo internal reference no.: 8)

Reply:

After Super Typhoon Mangkhut battered Hong Kong in September 2018, the Hong Kong Observatory (HKO) produced a 6-episode special series of educational videos on Mangkhut in order to raise public awareness of typhoon-related hazards. The videos have been broadcast on various local TV stations and HKO's social media platforms, and have received coverage from other mass media. As of early March 2019, the videos have accumulated over 330 000 views on various official social media platforms of HKO (including Facebook, YouTube and Instagram, etc.).

HKO launched its official Facebook page and Instagram platform on 23 March 2018 to enhance the provision of weather services and public communication via social media. HKO has since made reference to multiple indicators (such as page likes, number of people reached, media and public opinions on the relevant content) to assess the efficacy of the use of social media, and ensure effective communication of messages to the public. In terms of page reach, the top Facebook post reached about 800 000 people, while the lowest reached about 6 000 people, with an average reach of about 40 000 people. Posts related to inclement weather and special weather phenomena generally receive more viewings.

In 2019-20, HKO will continue to communicate with the public on topics such as weather and climate change through various channels. These include enhancing collaborations with other government departments and relevant organisations to organise outreaching activities, producing public educational video clips “Cool Met Stuff”, as well as organising open day, public seminars and training courses, etc.

The provision of weather services (including the related public education) through the various channels as mentioned above is part of HKO’s day-to-day work. As the expenditure required has been subsumed under the regular provision for HKO, it is difficult to quantify the amounts separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)279

(Question Serial No. 1981)

Head: (168) Hong Kong Observatory
Subhead (No. & title): (-) -
Programme: (1) Weather Services
Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi Ming)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2019-20, the Hong Kong Observatory (HKO) will develop a website to provide weather information services for the Guangdong-Hong Kong-Macao Greater Bay Area in collaboration with relevant meteorological authorities of the Mainland and Macao. Please advise the specific work plan of the information services concerned, and whether round-the-clock weather updates and 9-day weather forecasts would be provided. What are the staffing arrangement and establishment, emoluments and operational expenses involved?

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 14)

Reply:

The Hong Kong Observatory (HKO) is developing the “Guangdong-Hong Kong-Macao Greater Bay Area Weather Website” in collaboration with the Guangdong Meteorological Bureau and the Macao Meteorological and Geophysical Bureau to provide weather information of about 60 districts in 11 cities within the Guangdong-Hong Kong-Macao Greater Bay Area (“Greater Bay Area”). Weather information on the website will be constantly updated, providing 7-day weather forecast of the Greater Bay Area. The website is expected to be launched in the first half of 2019. HKO carries out such work with existing manpower and resources. As the expenditure has been subsumed into the provision for HKO, it is difficult to quantify the amount involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)280

(Question Serial No. 1982)

Head: (168) Hong Kong Observatory

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

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Under Matters Requiring Special Attention in 2019-20, the Hong Kong Observatory will develop automatic forecast products for major cities and airports around the world. Please advise the specific work plan regarding the automatic forecast products, as well as the staffing establishment, posts, emoluments and operational expenses involved.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 15)

Reply:

The Hong Kong Observatory (HKO) is currently developing automatic weather forecast products for major cities and airports around the world, which will provide 7-day weather forecasts for more than 4 000 cities, tourist attractions and airports. The service is expected to be launched in the first quarter of 2020, and the public may then access the relevant forecasts through HKO's website and mobile app. HKO carries out such work with existing manpower and resources. As the expenditure has been subsumed into the provision for HKO, it is difficult to quantify the amount involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)281

(Question Serial No. 4108)

Head: (168) Hong Kong Observatory

Subhead (No. & title): (000) Operational expenses

Programme: (1) Weather Services

Controlling Officer: Director of the Hong Kong Observatory (SHUN Chi-ming)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding public education work of the Hong Kong Observatory (HKO), please inform the Committee the expenditure last year for operating the official YouTube channel "hkweather" (<https://www.youtube.com/user/hkweather>), the HKO Facebook page (<https://www.facebook.com/hk.observatory>) and the Instagram account "hk.observatory" (<https://www.instagram.com/hk.observatory>), including video production, advertisement, operational expenses, etc.

Asked by: Hon YEUNG Alvin (Member Question No. (LegCo use): 91)

Reply:

The Hong Kong Observatory (HKO) launched its official YouTube channel in 2009 for public education on weather and climate through various types of video clips. In March 2018, HKO launched its official Facebook page and Instagram platform to enhance the provision of weather services and public communication via social media. HKO carries out such work as part of its daily operation, and meets the relevant expenditure from its recurrent provision. It is difficult to quantify the amount involved separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)282

(Question Serial No. 0444)

Head: (181) Trade and Industry Department
Subhead (No. & title): (000) Operational expenses
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Trade and Industry Department (TID) rolled out enhancement measures to the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) on 1 August 2018, including launching of the Association of Southeast Asian Nations (ASEAN) Programme to provide funding support to individual non-listed Hong Kong enterprises to undertake projects for enhancing their competitiveness and furthering business development in the ASEAN markets. In this regard, would the Government please advise this Committee:

1. What are the application and approval progress, including the amounts of grant approved, since the roll-out of the above enhancement measures?
2. Will the TID provide additional resources to promote and publicise the BUD Fund in 2019-2020? If yes, what are the details of the work plan and how much manpower and expenditure will be allocated for the relevant work?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 16)

Reply:

In 2018-19, the Government injected \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), and implemented enhancement measures in August 2018, including extending the geographical scope of the Enterprise Support Programme to cover the Association of Southeast Asian Nations (ASEAN) markets and providing a cumulative funding ceiling of \$1 million for each enterprise for undertaking projects in ASEAN markets. Up to the end of February 2019, a total of 183 applications were received under the ASEAN Programme under the BUD Fund (including applications withdrawn afterwards). Among the processed applications, 42 of them were approved. The total amount of funding approved was about \$23 million. The Programme Management Committee of the BUD Fund will hold a meeting in the end of March 2019 to

consider the next round of applications. It is expected that the number of applications approved and the amount of approved funding will increase further thereafter.

The 2019-20 Budget proposes to inject another \$1 billion into the BUD Fund to further extend the geographical scope of the BUD Fund to include all economies which have signed Free Trade Agreements (FTAs) with Hong Kong, thereby enabling enterprises to take advantage of the FTAs to explore new markets and new business opportunities; and to further increase the cumulative funding ceiling for each enterprise under the BUD Fund to \$3 million, including \$1 million for the Mainland market and \$2 million for other FTA markets. We will consult the Legislative Council Panel on Commerce and Industry on the proposals and seek funding approval of the Finance Committee.

The Trade and Industry Department (TID) and the Hong Kong Productivity Council, as the Secretariat of the BUD Fund, will continue to promote the Fund to the trade through different channels including organising talks and attending seminars organised by trade and industrial organisations, promotional videos, website, etc. We will closely monitor the usage of the BUD Fund and continue the promotion through various channels.

The expenditure of the above work has been subsumed under the overall estimated expenditure of the TID. It is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)283

(Question Serial No. 0445)

Head: (181) Trade and Industry Department
Subhead (No. & title): (000) Operational expenses
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

To provide further support for Hong Kong enterprises in exploring the Mainland market, the Trade and Industry Department (TID) implemented enhancement measures to the Mainland Programme under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) since 1 August 2018. In this regard, would the Government please advise this Committee:

1. What are the application and approval progress, including the amounts of grant approved, since the roll-out of the above enhancement measures?
2. Will the TID provide additional resources to promote and publicise the BUD Fund in 2019-2020? If yes, what are the details of the work plan and how much manpower and expenditure will be allocated for the relevant work?

Asked by: Hon CHAN Chun-ying (LegCo internal reference no.: 19)

Reply:

In 2018-19, the Government injected \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), and implemented enhancement measures in August 2018, including increasing the cumulative funding ceiling for each enterprise for undertaking projects in the Mainland from \$500,000 to \$1 million. Since the implementation of the above enhancement measure and up to the end of February 2019, a total of 585 applications were received under the Mainland Programme under the BUD Fund (including applications withdrawn afterwards). Among the processed applications, 166 of them were approved. The total amount of funding approved was about \$93 million. The Programme Management Committee of the BUD Fund will hold a meeting in the end of March 2019 to consider the next round of applications. It is expected that the number of applications approved and the amount of funding approved will increase further thereafter.

In 2019-20, the Trade and Industry Department (TID) and the Hong Kong Productivity Council, as the Secretariat of the BUD Fund, will continue to promote the BUD Fund to the trade through different channels including organising talks and attending seminars organised by trade and industrial organisations, promotional videos, website, etc. We will closely monitor the usage of the BUD Fund and continue the promotion through various channels.

The expenditure of the above work has been subsumed under the overall estimated expenditure of the TID. It is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)284

(Question Serial No. 2929)

Head: (181) Trade and Industry Department

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

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Salina YAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding traders of strategic commodities, please advise this Committee of the following:

1) Please list in tabular form the current total number of traders of strategic commodities by the category of "roles in strategic trade".

	Total number of traders
Importer	
Exporter	
Carrier	
End-user	
Others	

2) Please list in tabular form the current total number of traders of strategic commodities by the category of "usual types of strategic commodities handled".

	Total number of traders
Electronics, computers, telecommunication equipment/software	
Chemicals or biological agents	
Munitions (e.g. arms, ammunitions)	
Others (e.g. materials, sensors or numerically controlled machine tools)	

3) Please list in tabular form the current total number of traders of strategic commodities by the categories of "roles in strategic trade" and "usual types of strategic commodities handled".

	Electronics, computers, telecommunication equipment/software	Chemicals or biological agents	Munitions (e.g. arms, ammunitions)	Others (e.g. materials, sensors or numerically controlled machine tools)
Importer				
Exporter				
Carrier				
End-user				
Others				

4) Please list in tabular form the number of newly registered traders of strategic commodities in the past 5 years.

	2014	2015	2016	2017	2018
Number of newly registered traders					

5) Please provide in tabular form the list of registered traders of strategic commodities in Hong Kong.

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 19)

Reply:

Hong Kong implements a comprehensive and stringent strategic trade control system in accordance with the law. Under the Import and Export (Strategic Commodities) Regulations (Cap. 60G), a person must obtain a licence issued by the Trade and Industry Department (TID) for each transaction or shipment before importing and exporting strategic commodities, including munitions (such as firearms, ammunition, explosives, etc.) and dual-use goods (i.e. industrial goods which can be converted to military use, such as certain chemicals, telecommunications and information security products, etc.). Each licence application must pass a technical assessment and a risk assessment before a licence is issued.

The majority of the import and export licences for strategic commodities issued by TID relate to dual-use goods, of which more than 98% involve electronics, telecommunications and information security products. Traders engaging in strategic trade, including importers, exporters, carriers, end-users, logistics service providers, etc., are required to apply for a licence issued by TID for the import and export of their strategic commodities. Depending on their operational needs and individual circumstances, they can have different or multiple roles when conducting each transaction or making shipment arrangement. For instance, a licence applicant can be both an importer and a carrier or an importer and an end-user.

The number of traders issued with import and export licences for strategic commodities from 2014 to 2018 is as follows:

	2014	2015	2016	2017	2018
Number of traders	1 332	1 254	1 316	1 191	1 047

TID has not compiled statistics regarding the roles of traders in transactions or shipments of strategic commodities and does not implement a registration system for traders applying for licences.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)285

(Question Serial No. 6013)

Head: (181) Trade and Industry Department

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

Programme: (-) -

Controlling Officer: Director-General of Trade and Industry (Salina YAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding its work in relation to the Code on Access to Information, will the Administration advise this Committee on the following:

1) concerning the requests for information under the Code on Access to Information received by the Trade and Industry Department (TID) for which only some of the required information was provided, please state in tabular form: (i) the content of the requests for which only some of the required information was provided; (ii) the reasons for providing some of the information only; and (iii) how the requests were eventually handled.

Year

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) How the requests were eventually handled

2) concerning the requests for information under the Code on Access to Information received by the TID for which the required information was not provided, please state in table form: (i) the content of the requests refused; (ii) the reasons for refusal; and (iii) how the requests were eventually handled.

Year

(i) Content of the requests for information refused	(ii) Reasons for refusal for providing the information requested	(iii) How the requests were eventually handled

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 257)

Reply:

During the period from January to September 2018, among the requests for information under the Code on Access to Information (the Code) received by the Trade and Industry Department (TID), there was one case that the required information was not provided. Details are as follows:

(i) Content of the requests for information refused	(ii) Reasons for refusal for providing the information requested	(iii) How the requests were eventually handled
Import records and information of strategic commodities by a specific importer	The relevant information was provided by the importer and involved business records and commercial information of the importer. The importer objected to disclosing the information. In the absence of any overriding public interest and the consent of the information provider, TID could not disclose and provide the information to the applicant, according to paragraph 2.14(a) of the Code.	TID informed the applicant in writing of the reason for refusal.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)286

(Question Serial No. 0007)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. Under Programme (3) Support for Small and Medium Enterprises and Industries, the Trade and Industry Department administers several funding schemes, including the SME Loan Guarantee Scheme (SGS), the SME Export Marketing Fund (EMF), the SME Development Fund (SDF) and the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund). Will the Government please advise the Committee by itemising in details on how these funding schemes were implemented over the past year? What was the expenditure involved and how many SMEs were benefited? What sectors were mainly involved? What is the implementation plan for 2019-20? What is the estimated expenditure and how many SMEs would be benefited?

2. In Analysis of Financial and Staffing Provision, the provision for 2019-20 under Programme (3) is \$130.1 million (25.9%) higher than the revised estimate for 2018-19. This is mainly due to increased cash flow requirements for funding schemes. 1 post is newly created in 2019-20 to strengthen the support for funding schemes. What are the details?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 1)

Reply:

The Government injected \$1 billion into the Export Marketing and Trade and Industrial Organisation Support Fund in 2018-19, and implemented enhancement measures to the EMF in August 2018, including increasing the maximum grant for each application and revising upward the cumulative funding ceiling for each enterprise to \$100,000 and \$400,000 respectively to strengthen the support for SMEs to explore new markets and new business opportunities. Since the implementation of the enhancement measures, the number of applications of the fund up to the end of February 2019 (8 118) was 40% more than that of the corresponding period in 2017-2018.

At the same time, the Government also injected \$1.5 billion into the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund), and implemented enhancement measures in August 2018, including extending the geographical scope of the Enterprise Support Programme (ESP) to include the Association of Southeast Asian Nations (ASEAN) markets, providing a cumulative funding ceiling of \$1 million for each enterprise for undertaking projects in ASEAN markets; and increasing the cumulative funding ceiling for each enterprise for undertaking projects in the Mainland from \$500,000 to \$1 million. Since the implementation of the enhancement measures and up to the end of February 2019, a total of 183 applications were received under the ASEAN Programme, while a total of 585 applications were received under the enhanced Mainland Programme, representing an increase of 106% as compared to the corresponding period in 2017-2018.

The overall implementation progress of the various funding schemes of the Trade and Industry Department (TID) in 2018 was as follows:

	Number of applications approved	Number of beneficiaries	Amount of guarantees/grants approved by the Government (\$ million)	The major beneficiary sectors (listed according to the number of applications approved)
SGS	719	693	909.0	1. Import and Export Trade 2. Wholesale and Retail 3. Engineering
EMF	9 025	5 570	167.1	1. Import and Export Trade 2. Wholesale and Retail 3. Electronics
The former SDF Note 1	15	Not applicable Note 2	34.2	1. Cross-sector 2. Wholesale and Retail 3. Industrial machinery
The former BUD Fund (Organisation Support Programme (OSP)) Note 1	14	Not applicable Note 2	39.3	1. Creative industries 2. Textile and Clothing 3. Cross-sector

	Number of applications approved	Number of beneficiaries	Amount of guarantees/grants approved by the Government (\$ million)	The major beneficiary sectors (listed according to the number of applications approved)
BUD Fund (ESP)	497	486 (Amongst which, 477 are SMEs)	224.9	1. Wholesale and Retail 2. Import and Export Trade 3. Textile and Clothing

Note 1: The SDF and the BUD Fund (OSP) were merged to form the Trade and Industrial Organisation Support Fund (TSF) in October 2018.

Note 2: The SDF and the BUD Fund (OSP) did not provide direct funding support to SMEs but to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.). The number of beneficiaries depends on the industries involved and details of individual projects, and is difficult to estimate accurately.

In 2019-20, TID will continue to assist enterprises in obtaining finance, exploring export markets and enhancing their overall competitiveness through the various funding schemes. With regard to the EMF, TSF and the BUD Fund, the estimated expenditure is \$434 million. The Government provides loan guarantee to SMEs under the SGS to help them secure loans from the participating lending institutions. The guarantee approved by the Government is not a grant, and is thus not an expenditure. We estimate that the amount of guarantee to be approved by the Scheme in 2019-20 will be about \$900 million.

The 2019-20 Budget proposes to inject another \$1 billion into the BUD Fund to further extend the geographical scope of the BUD Fund to include all economies which have signed Free Trade Agreements (FTAs) with Hong Kong, thereby enabling enterprises to take advantage of the FTAs to explore new markets and new business opportunities; and to further increase the cumulative funding ceiling for each enterprise under the BUD Fund to \$3 million, including \$1 million for the Mainland market and \$2 million for other FTA markets. We will consult the Legislative Council Panel on Commerce and Industry on the proposals and seek funding approval of the Finance Committee.

The provision under Programme (3) is for meeting the expenditure of the various funding schemes mentioned above and the operational expenses relating to Programme (3). The annual estimated expenditure of the funds is calculated based on the estimated cash flow requirements for projects approved/projects expected to be approved for the year. We expect that the number of applications and amount of approved grants for the various funds will increase with the implementation of the enhancement measures. The relevant expenditure for 2019-20 is therefore expected to be higher than the estimate for 2018-19. With regard to posts, the Department will create 1 civil service post (Trade Officer) in 2019-20 under Programme (3) to assist in processing applications under the TSF to meet the ongoing operational needs.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)287

(Question Serial No. 0015)

Head: (181) Trade and Industry Department

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

Programme: (1) Commercial Relations

Controlling Officer: Director-General of Trade and Industry (Salina YAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2019-20, the Trade and Industry Department will facilitate adjustment by the trade to changes in the Mainland's trade and economic policies of significant impact on business operations and in the global economic environment. Will the Government please advise what has been done in this area in the past year? What was the expenditure involved? What was the effectiveness? What are the specific measures and new initiatives that the Government will take to facilitate the trade in the coming year? What will be the expenditure involved?

Asked by: Hon CHUNG Kwok-pan (Member Question No. (LegCo use): 9)

Reply:

The Trade and Industry Department (TID) maintains close liaison with the trade through various channels so as to keep abreast of the trade's concerns and views. We also maintain close liaison with the Mainland authorities to relay to them the trade's views and to discuss with them support measures for the trade where appropriate. For example, last year, TID conveyed to the Ministry of Commerce of the Central People's Government the trade's suggestion of expanding the scope of the ATA Carnet¹ to include as early as possible commercial samples and professional equipment so as to facilitate the commercial trading and exchange activities between the two sides. On 9 January 2019, the Mainland General Administration of Customs issued a notice, announcing that, with immediate effect, the scope of the ATA Carnet would be expanded to cover temporary import of professional equipment and commercial samples, and the timeframe for import and export of the products concerned would be extended from 6 months to 12 months. TID has immediately disseminated the relevant information to the trade.

¹ The ATA Carnet is an international customs clearance document. The ATA Carnet system aims to unify and simplify the customs procedures for the temporary import and export of goods and provide facilitation in customs clearance and tax exemption for the temporary import and export of goods with a view to facilitating economic, cultural and sports exchanges.

From time to time, TID disseminates information to the trade by means of circulars to enhance the trade's understanding of the Mainland's new trade policies, legislation and business environment. A total of about 800 relevant circulars were issued in 2018-19. TID's website also includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities, so as to facilitate Hong Kong enterprises in getting access to economic and trade information of the Mainland on a single platform.

TID has all along been participating actively in the work of the World Trade Organization (WTO), promoting trade liberalisation at multilateral level with a view to boosting global economic growth. In face of the changing global economic environment, we have been supporting the trade through various aspects of its work as follows:

- Monitoring closely changes in the trade regulations of our trading partners and the trade remedy measures against Hong Kong-origin products, disseminating relevant information through commercial trade circulars and giving prompt advice to local traders and manufacturers, and lodging timely defence against any unfair or unfounded allegations and measures;
- Promoting trade and investment cooperation with other economies, including negotiating free trade agreements (FTAs) and investment agreements. In 2018-19, Hong Kong signed an FTA with Georgia, as well as an FTA and an investment agreement with Australia;
- Participating in regional economic cooperation organisations, in particular the work of the Asia-Pacific Economic Cooperation and Pacific Economic Cooperation Council, discussing with other members the challenges brought about by the changes in the regional and global economic environment and the way to address them;
- Closely monitoring the various trade-related investigations/measures launched by the United States (US) administration and their potential impact on Hong Kong's trade and businesses, as well as following up and informing the trade of the relevant information and developments in a timely manner. For example, the US administration unilaterally imposed additional tariffs on imported steel and aluminium products under the "232 Investigation". Apart from filing our representation to the US administration, we have also requested the US administration to exclude Hong Kong from the tariff measures. In addition, we have repeatedly registered our grave concern on the issue at the WTO platform, and will participate as a third party in the relevant WTO dispute settlement panels to state our case. We have been keeping in touch with the trade to provide suggestions and assistance to manufacturers who intend to make representation to the US Department of Commerce to exclude their products from the tariffs concerned; and

- As for the trade conflict between the Mainland and the US, including the series of tariff measures implemented as a result of the “301 Investigation” that the US initiated on the Mainland, TID has been closely monitoring the impact of the issue on the trade, and maintaining close liaison with the relevant trade and industrial organisations and industry associations. TID has set up a one-stop service platform and hotline for maintaining close liaison, disseminating timely information, and informing the trade of the latest developments. We have also introduced corresponding measures to support the trade, including advancing the launch of the “Association of Southeast Asian Nations (ASEAN) Programme” under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to 1 August 2018, and implementing enhancement measures for the Mainland Programme under the BUD Fund and the SME Export Marketing Fund. In addition, in order to assist Hong Kong enterprises to respond to the impact of uncertain global economic and trade situation, the 2019-20 Budget proposes to inject another \$1 billion into the BUD Fund, further extend the geographical scope to include all markets with which Hong Kong has signed FTAs, and increase the funding ceiling per enterprise to \$3 million, including \$1 million for the Mainland market and \$2 million for other FTA markets.

In 2019-20, TID will continue to monitor changes in the Mainland’s economic and trade policies of significant impact on business operations and in the global economic environment, provide the trade with appropriate assistance, and enhance trade and investment cooperation with other economies. In the face of the global economic transformation as well as the rise in protectionism, we will continue to participate actively in the ongoing negotiations and discussions in the WTO, staunchly support and promote trade liberalisation, and uphold the rules-based multilateral trading system. We will continue to establish stronger bilateral ties with trading partners, and deepen Hong Kong's economic integration with different parts of the world through negotiating and signing FTAs and investment agreements. We will also continue to strengthen liaison with emerging markets, and encourage and support the trade to tap into them. We will keep the trade informed of the latest development of the international trade through regular communications and through our website.

The expenditure of the above work has been subsumed under the overall estimated expenditure of TID, and cannot be quantified separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)288

(Question Serial No. 0016)

Head: (181) Trade and Industry Department

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

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Salina YAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the work of trade support and facilitation, the matters which the Trade and Industry Department will pay special attention to in 2019-20 include liaising closely with the Mainland authorities and local traders on the Mainland issues of significant impact on business operations, and helping to reflect the trade's concerns to the relevant Mainland authorities. Please advise on the work done in 2018-19. On what issues were Mainland authorities liaised with or reflected to, particularly on matters affecting small and medium enterprises? What specific work has been carried out? Please advise on the expenditure involved by itemising. How will such work be implemented in the new financial year and what are the specific measures and targets? What is the estimated expenditure?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 10)

Reply:

The Trade and Industry Department (TID) maintains close liaison with the trade through various channels so as to keep abreast of the trade's concerns and views. We also maintain close liaison with the Mainland authorities to relay to them the trade's views and to discuss with them support measures for the trade. For example, last year, TID conveyed to the Ministry of Commerce of the Central People's Government the trade's suggestion of expanding the scope of the ATA Carnet¹ to include commercial samples and professional equipment as early as possible so as to facilitate the commercial trading and exchange activities between the two sides. On 9 January 2019, the Mainland General Administration of Customs issued a notice, announcing that, with immediate effect, the scope of the ATA

¹ The ATA Carnet is an international customs clearance document. The ATA Carnet system aims to unify and simplify the customs procedures for the temporary import and export of goods and provide facilitation in customs clearance and tax exemption for the temporary import and export of goods with a view to facilitating economic, cultural and sports exchanges.

Carnet would be expanded to cover temporary import of professional equipment and commercial samples, and the timeframe for import and export of the products concerned would be extended from 6 months to 12 months. We have disseminated the relevant information to the trade.

From time to time, TID disseminates information to the trade by means of circulars to enhance the trade's understanding of the Mainland's new trade policies, legislation and business environment. A total of about 800 relevant circulars were issued in 2018-19. TID's website also includes a dedicated page on economic and trade information of the Mainland, with hyperlinks to the economic and trade websites of about 200 Mainland authorities, so as to facilitate Hong Kong enterprises in getting access to economic and trade information of the Mainland on a single platform.

In 2019-20, TID will continue to implement the relevant measures to assist Hong Kong enterprises in operating in the Mainland.

The expenditure of the above work has been subsumed under the overall expenditure of TID in 2018-19 and the estimated expenditure for the new financial year. It is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)289

(Question Serial No. 0018)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

In 2018-19, one of the tasks of the Trade and Industry Department (TID) in support of the small and medium enterprises (SMEs) and industries was to assist Hong Kong enterprises in the development and promotion of brands to enhance their competitiveness in the Mainland and overseas markets. The Government has indicated in recent years that it would assist in the promotion of "Hong Kong Brands". What efforts has TID made in this area over the past year? Please advise on the expenditure involved by itemising in details. How will the Government implement the relevant work in the new 2019-20 financial year? What are the details? What are the specific measures? What is the estimated expenditure?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 14)

Reply:

The Trade and Industry Department (TID) endeavours to assist Hong Kong enterprises in developing brands and exploring the Mainland and overseas markets. Its SME Export Marketing Fund (EMF) provides financial support to small and medium enterprises (SMEs) to participate in export promotion activities, while the Trade and Industrial Organisation Support Fund (TSF) (a merger between the SME Development Fund (SDF) and the Organisation Support Programme (OSP) under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) in October 2018) provides financial support to non-profit-distributing organisations to carry out projects which help enhance the competitiveness of Hong Kong enterprises in general or in specific sectors.

The Government injected \$1 billion into the Export Marketing and Trade and Industrial Organisation Support Fund in 2018-19, and implemented enhancement measures to the EMF in August 2018, including increasing the maximum grant for each application and revising upward the cumulative funding ceiling for each enterprise to \$100,000 and \$400,000 respectively to strengthen the support for SMEs to explore new markets and new business opportunities. Since the implementation of the enhancement measures, the

number of applications up to the end of February 2019 (8 118) was 40% more than that of the corresponding period in 2017-2018.

The implementation progress of the EMF and the former SDF in 2018 was as follows:

	Number of applications approved	Number of SME beneficiaries	Amount of grants approved by the Government (\$ million)
EMF	9 025	5 570	167.1
The former SDF	15	Not applicable Note	34.2

Note: The SDF did not provide direct funding support to SMEs but to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.). The number of beneficiaries depends on the industries involved and details of individual projects, and is difficult to estimate accurately.

In addition, the Government launched the \$1 billion BUD Fund in June 2012. The BUD Fund originally comprised the Enterprise Support Programme (ESP) and the OSP, providing funding support to Hong Kong enterprises and non-profit-distributing organisations respectively, so as to assist enterprises in enhancing their competitiveness and furthering their business and branding development in the Mainland. The OSP was merged with the former SDF to form the TSF in October 2018. The Government injected \$1.5 billion into the BUD Fund in 2018-19, and implemented enhancement measures in August 2018, including extending the geographical scope of the ESP to include the Association of Southeast Asian Nations (ASEAN) markets, providing a cumulative funding ceiling of \$1 million for each enterprise for undertaking projects in ASEAN markets; and increasing the cumulative funding ceiling for each enterprise for undertaking projects in the Mainland from \$500,000 to \$1 million. Since the implementation of the enhancement measures and up to the end of February 2019, a total of 183 applications were received under the ASEAN Programme, while a total of 585 applications were received under the enhanced Mainland Programme, representing an increase of 106% as compared to the corresponding period in 2017-2018. The implementation progress of the BUD Fund in 2018 was as follows:

	Number of applications approved	Number of SME beneficiaries	Amount of grants approved by the Government (\$ million)
The former BUD Fund (OSP)	14	Not applicable Note	39.3
BUD Fund (ESP)	497	477	224.9

Note: The OSP did not provide direct funding support to SMEs but to non-profit-distributing organisations (such as trade and industrial organisations, professional bodies or research institutes, etc.). The number of beneficiaries depends on the industries involved and details of individual projects, and is difficult to estimate accurately.

The 2019-20 Budget proposes to inject another \$1 billion into the BUD Fund to further extend the geographical scope of the BUD Fund to include all economies which have signed Free Trade Agreements (FTAs) with Hong Kong, thereby enabling enterprises to take advantage of the FTAs to explore new markets and new business opportunities; and to

further increase the cumulative funding ceiling for each enterprise under the BUD Fund to \$3 million, including \$1 million for the Mainland market and \$2 million for other FTA markets. We will consult the Legislative Council Panel on Commerce and Industry on the proposals and seek funding approval of the Finance Committee.

TID also co-organises seminars from time to time with the Hong Kong Trade Development Council, local business associations and other relevant organisations in which renowned local, Mainland and overseas entrepreneurs and experts are invited to share their experience in establishing brands and market development strategies. We will continue our work in this aspect in 2019-20. The expenses involved will be covered by the recurrent expenditure of TID.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)290

(Question Serial No. 0349)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The aim of the work of the Trade and Industry Department (TID) under this programme is to support and facilitate the development of Hong Kong's small and medium enterprises (SMEs) and industries. Would the Government please advise this Committee of its specific work and resources or expenses on facilitating the development of Hong Kong's industries in the past year? What are the new work plans for facilitating the development of Hong Kong's industries in 2019-20? What is the expenditure involved? Meanwhile, in recent years, a number of manufacturers who have set up factories in the Mainland intend to relocate back to Hong Kong for development, and the trade dispute between the Mainland and the US persists. How will the Government provide support to SMEs and industries? What are the specific measures? What are the resources to be allocated?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 32)

Reply:

In 2018-19, the Trade and Industry Department (TID) liaised closely with the trade and business associations to provide timely support in response to issues of their concern. Through various advisory boards including the Trade and Industry Advisory Board and the Small and Medium Enterprises Committee, TID gathered the views of the trade on issues affecting their development and support measures for them.

TID makes use of different channels to provide enterprises including manufacturers with the latest market information and advisory services, and administers various funding schemes (including the SME Loan Guarantee Scheme (SGS), the SME Export Marketing Fund (EMF), the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) as well as the Trade and Industrial Organisation Support Fund (TSF) (a merger between the SME Development Fund (SDF) and the Organisation Support Programme (OSP) under the BUD Fund in October 2018) to enhance the competitiveness of enterprises of different industries and sectors.

The Government's policy on support for industry is to create a business-friendly environment for the trade and provide them with timely and appropriate support so that our trade can flourish. Some enterprises, especially those engaging in high-end manufacturing, are well-positioned to consider performing high value-added production processes that are less land and labour-intensive in Hong Kong. Hong Kong enterprises, including those interested in relocating their operations back to Hong Kong, can make use of TID's funding schemes to obtain finance and enhance their overall competitiveness etc.

Amongst the measures, the Government provides loan guarantee to SMEs (including manufacturers interested in relocating their operations back to Hong Kong) under the SGS to help them secure loans from the participating lending institutions for acquiring business installations and equipment or as general working capital. The maximum amount of guarantee for each SME is \$6 million. Based on the maximum guarantee ratio at 50%, the corresponding loan amount is \$12 million. The guarantee period for each loan is up to a maximum of 5 years. If an enterprise has fully repaid the loan(s) backed up by the guarantee under the SGS, the enterprise may use the respective guarantee amount one more time to obtain new loan(s), subject to a maximum guarantee amount of \$6 million. Since the launch of the SGS in 2001 and up to the end of February 2019, a total of 31 680 applications have been approved involving a guarantee amount of about \$25.9 billion, benefiting more than 16 700 SMEs.

Moreover, the TSF provides funding support to non-profit-distributing organisations such as trade and industrial organisations, professional bodies or research institutes, etc. for implementing projects which aim at enhancing the competitiveness of Hong Kong enterprises in general or in specific sectors. There is no geographical restriction for the fund. Projects which may be supported by the fund include seminars, workshops, conferences, exhibitions, research studies, awards schemes, code of best practices, databases, service centres, support facilities and technology demonstrations etc. The maximum amount of grant for each approved project is 90% of the total approved expenditure, subject to a cap of \$5 million. The maximum duration of a project is 3 years. The trade can make good use of the relevant funding schemes to enhance its competitiveness.

To help the trade develop markets and diversify risks, the Government injected \$1 billion into the Export Marketing and Trade and Industrial Organisation Support Fund in June 2018, and implemented enhancement measures to the SME Export Marketing Fund (EMF) in August in the same year including increasing the maximum grant for each application and revising upward the cumulative funding ceiling for each enterprise to \$100,000 and \$400,000 respectively to strengthen the support for SMEs to explore new markets and new business opportunities. Since the implementation of the enhancement measures and up to the end of February 2019, the number of applications of the fund (8 118) was 40% more than that of the corresponding period in 2017-2018.

Moreover, the Government implemented enhancement measures to the BUD Fund in August 2018, including extending the geographical scope of the Enterprise Support Programme (ESP) to include the Association of Southeast Asian Nations (ASEAN) markets, providing a cumulative funding ceiling of \$1 million for each enterprise for undertaking projects in ASEAN markets; and increasing the cumulative funding ceiling for each

enterprise for undertaking projects in the Mainland from \$500,000 to \$1 million. Since the implementation of the enhancement measures and up to the end of February 2019, a total of 183 applications were received under the ASEAN Programme, while a total of 585 applications were received under the enhanced Mainland Programme, representing an increase of 106% as compared to the corresponding period in 2017-2018.

After injecting \$1.5 billion into the BUD Fund in 2018, the 2019-20 Budget proposes to inject another \$1 billion into the BUD Fund to further extend the geographical scope of the BUD Fund to include all economies which have signed Free Trade Agreements (FTAs) with Hong Kong, thereby enabling enterprises to take advantage of the FTAs to explore new markets and new business opportunities; and to further increase the cumulative funding ceiling for each enterprise under the BUD Fund to \$3 million, including \$1 million for the Mainland market and \$2 million for other FTA markets. We will consult the Legislative Council Panel on Commerce and Industry on the proposals and seek funding approval of the Finance Committee.

The expenditure of the above work has been subsumed under the overall estimated expenditure of the bureaux/departments concerned. It is difficult to quantify separately.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)291

(Question Serial No. 4806)

Head: (181) Trade and Industry Department

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

Programme: (1) Commercial Relations

Controlling Officer: Director-General of Trade and Industry (Salina YAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Would the Government please advise this Committee of the total expenditure incurred for participating in the China International Import Expo 2018 and provide a breakdown of the expenditure in tabular form? Please also provide the estimated total expenditure for the China International Import Expo 2018 and a breakdown of the estimated expenditure in tabular form.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 90)

Reply:

The first China International Import Expo (CIIE) was held in Shanghai from 5 to 10 November 2018, in which a total of 151 countries and regions participated. In addition to attending the related activities of the CIIE, the Trade and Industry Department (TID) jointly organised the “Seminar on ‘Hong Kong’s Experiences for International Trade’: New Horizon•New Technology•New Model” (the seminar) with the Hong Kong Trade Development Council on 6 November to discuss topics including the application of big data, support for cross-border businesses provided by Hong Kong financial services and risk management by Hong Kong professional services, highlighting the role could be played by Hong Kong’s service industries in international trade. The seminar was attended by more than 460 people, including representatives from Mainland provincial and municipal governments and enterprises in various industries.

When TID was preparing the estimate of expenditure for the CIIE 2018, the specific details of the proposed activities had yet to be finalised. We therefore earmarked \$1.45 million (not including staff cost) to ensure sufficient funds were available for meeting the needs of organising the related activities. After the completion of the CIIE, the actual total expenditure of TID was HK\$560,000 which involved relevant preparatory work for the CIIE, transportation and accommodation for speakers and relevant personnel participating in the CIIE, as well as rental and set-up of seminar venue, publicity materials, etc.

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)292****(Question Serial No. 4807)**Head: (181) Trade and Industry DepartmentSubhead (No. & title): (-) -Programme: (1) Commercial RelationsControlling Officer: Director-General of Trade and Industry (Salina YAN)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

Please advise this Committee of the reasons, titles, salary points, immediate supervisors and nature of the 5 posts to be created in the 2019-20 financial year.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 89)Reply:

Details of the posts newly created in the 2019-20 financial year are as follows:

Reasons	Title/Nature of Post	Salary Points on Master Pay Scale (MPS)	Immediate Supervisor
To expand Hong Kong's free trade agreement network, additional manpower is needed to support the formulation of strategies, participation in negotiations, consultation with various bureaux/departments and stakeholders, etc.	Principal Trade Officer	MPS Pt. 45-49	Assistant Director-General of Trade and Industry
	Trade Officer	MPS Pt. 34-44	The Principal Trade Officer post to be created
	Assistant Trade Officer I	MPS Pt. 28-33	The Trade Officer post to be created
Additional manpower is needed to support Hong Kong's participation in the China International Import Expo and the planning and organisation of related activities, as well as to assist in handling other matters related to economic and trade issues of the	Trade Officer	MPS Pt. 34-44	Principal Trade Officer
	Assistant Trade Officer II	MPS Pt. 14-27	The Trade Officer post to be created

Reasons	Title/Nature of Post	Salary Points on Master Pay Scale (MPS)	Immediate Supervisor
Mainland, including the discussion with Mainland authorities on the implementation of the Agreement on Trade in Goods under the Mainland and Hong Kong Closer Economic Partnership Arrangement.			

- End -

CONTROLLING OFFICER'S REPLY**CEDB(CIT)293****(Question Serial No. 4808)**

Head: (181) Trade and Industry Department

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

Programme: (3) Support for Small and Medium Enterprises and Industries

Controlling Officer: Director-General of Trade and Industry (Salina YAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please tabulate the attendance of all members of the Small and Medium Enterprises Committee (SMEC) for all the meetings in the past 3 financial years.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 88)

Reply:

The Small and Medium Enterprises Committee (SMEC) is a non-statutory advisory body. It advises the Government on issues affecting the development of small and medium enterprises in Hong Kong and suggests measures to support and facilitate their development and growth. Members are appointed for a term of two years, from 1 January in a year until 31 December the next year.

The term of members is based on calendar year. The attendance of members at meetings in the past three calendar years is tabulated below:

	The first meeting (Number of members present / Total number of members)	The second meeting (Number of members present / Total number of members)
2018	21/28	17/28
2017	23/28	17/27 ^{Note}
2016	15/27	16/27

Note A member resigned after the first meeting in 2017. The Government appointed a new member in early 2018.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)294

(Question Serial No. 4809)

Head: (181) Trade and Industry Department

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

Programme: (2) Trade Support and Facilitation

Controlling Officer: Director-General of Trade and Industry (Salina YAN)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding Hong Kong's stock amount of rice, would the Government please advise the Committee the stock amount of rice in each month of the 2018-19 financial year, and the equivalent days of consumption in Hong Kong.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 87)

Reply:

During the 2018-19 financial year, the reserve stock of rice is maintained at a level sufficient for consumption in Hong Kong for about 15 days (i.e. around 13 100 tonnes).

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)295

(Question Serial No. 1969)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (3) Support for Small and Medium Enterprises and Industries
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the Matters Requiring Special Attention in 2019–20, the Trade and Industry Department (TID) will closely monitor the global and domestic economic environment and the impact of any changes in the environment on Hong Kong enterprises, in particular SMEs; and consider implementing measures to enhance the various government funding schemes supporting Hong Kong enterprises as appropriate. Paragraph 110 of the Budget Speech mentioned that the Government will keep a close watch on the external and local economic situation and introduce appropriate measures when necessary to support enterprises and stabilise the economy.

However, the measures that the Government takes to support the small and medium enterprises (SMEs) are relatively rule-following and passive. For example, the Government only injected funds regularly into different kinds of funds which provide support for SMEs, and extended the application period of the special concessionary measures under the Small and Medium Enterprises Financing Scheme as well as increased the funding ceiling year after year. With uncertainties in the global political and economic scenes as well as the concerns about the economic outlook, how does the Government actually judge “when necessary”? Can the so-called “appropriate measures” support enterprises and stabilise the economy? This is especially true since the situation is very urgent when SMEs need assistance. Please advise the specific details, work objectives, manpower arrangement and details of the estimated expenditure.

Asked by: Hon LIAO Cheung-kong, Martin (LegCo internal reference no.: 2)

Reply:

In the 2019-20 Budget, the Government announced a series of measures to relieve people's burden and support enterprises to rise up to the challenges facing Hong Kong's economy, as well as to promote the development of a diversified economy in areas such as innovation and technology, creative industries, professional services and financial services industry, etc. to create business opportunities for enterprises.

The Government keeps a close watch on the external and local economic situation and maintains close liaison with the trade for information exchange. For example, since the emergence of trade conflicts between the US and the Mainland last year, the Commerce and Economic Development Bureau and the Trade and Industry Department (TID) have met with major local chambers and associations of SMEs many times and, through advisory committees including the Trade and Industry Advisory Board and the Small and Medium Enterprises Committee, have continued to gauge the views of the trade with a view to formulating measures to support the trade.

To assist the trade in developing markets and diversifying risks, we have advanced the launch of the ASEAN Programme under the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) to 1 August 2018, extended the geographical scope of the fund to include the Association of Southeast Asian Nations (ASEAN) markets, and doubled the funding ceiling of the Mainland Programme under the BUD Fund and the SME Export Marketing Fund (EMF). The feedback of the trade was overwhelming. Since the implementation of the enhancement measures up to the end of February 2019, the number of EMF applications (8 118) was 40% more than that of the corresponding period in 2017-2018. Regarding the BUD Fund, since the implementation of the enhancement measures and up to the end of February 2019, a total of 183 applications were received under the ASEAN Programme, while a total of 585 applications were received under the enhanced Mainland Programme, representing an increase of 106% as compared to the corresponding period in 2017-2018.

The 2019-20 Budget proposes to inject \$1 billion into the BUD Fund to further extend the geographical scope of the BUD Fund to include all economies which have signed Free Trade Agreements (FTAs) with Hong Kong. This targeted and strategic proposal aims at assisting enterprises to take full advantage of the FTAs to explore new markets and new business opportunities by using the funding support of the BUD Fund. The cumulative funding ceiling for each enterprise under the BUD Fund will be further increased to \$3 million, including \$1 million for the Mainland market and \$2 million for other FTA markets.

In 2019-20, TID will continue to assist enterprises in obtaining finance, exploring export markets and enhancing their overall competitiveness through various funding schemes. The total estimated expenditure is \$434 million. We estimate that the amount of guarantee approved by the SME Loan Guarantee Scheme (SGS) will be about \$900 million. The guarantee approved by the Government is not a grant, and is thus not an expenditure.

The manpower expenditure of the above work has been subsumed under the overall estimated expenditure of TID. It is difficult to quantify separately.

Furthermore, the HKMC Insurance Limited (HKMCI) operates the special concessionary measures under its existing SME Financing Guarantee Scheme (SFGS) to provide 80% loan guarantees at concessionary fee rates. The Government provides a total loan guarantee commitment of \$100 billion. The special concessionary measures are time-limited special measures. The original application period was 9 months, which was later extended numerous times to the end of June 2019. To further relieve the financing burden of local enterprises and to assist enterprises in obtaining financing from lending institutions, the

Government introduced three enhancement measures in November 2018, including reducing the guarantee fee by 50%; increasing the maximum loan amount from \$12 million to \$15 million; and lengthening the maximum loan guarantee period from 5 years to 7 years. To support local enterprises in tiding over uncertainties in the present environment, and to continue to assist enterprises in obtaining loans in the commercial lending market, the Government has further extended the application period of the special concessionary measures under the SFGS and the validity of the three enhancement measures launched last year to the end of June 2020, as announced in the 2019-20 Budget.

- End -

CONTROLLING OFFICER'S REPLY

CEDB(CIT)296

(Question Serial No. 1076)

Head: (181) Trade and Industry Department
Subhead (No. & title): (-) -
Programme: (1) Commercial Relations
Controlling Officer: Director-General of Trade and Industry (Salina YAN)
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Trade and Industry Department (TID) is responsible for discussing, in consultation with relevant bureaux and departments and the trade, with Mainland authorities enrichment of the content of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and the implementation of various measures. In this regard, please advise: whether TID has responded to the requests of the relevant trade in Hong Kong to discuss with the Mainland Ministry of Housing and Urban-Rural Development to further relax restrictions on the participation of Hong Kong construction and engineering enterprises in construction and development projects in the Mainland, and to discuss expeditiously on amendment to the relevant provisions under the CEPA framework accordingly. If yes, what are the details? If no, what are the reasons?

Asked by: Hon LO Wai-kwok (LegCo internal reference no.: 37)

Reply:

The HKSAR Government is committed to enhancing the access of Hong Kong professional services to the Mainland market under the CEPA framework. Under the existing mechanism, the Trade and Industry Department (TID) is responsible for coordinating the specific liberalisation proposals for different service trade sectors in the Mainland put forward by relevant bureaux and departments under the CEPA framework and, through the Ministry of Commerce of the Central People's Government (CPG), pass the liberalisation proposals to the relevant Mainland ministries for consideration. TID actively follows up on the discussion of the liberalisation proposals with the Mainland authorities.

In respect of construction and engineering services, in July 2018, TID reflected to the Ministry of Commerce of CPG Hong Kong trade's concerns about the restrictions on the scope of projects that may be undertaken by Hong Kong construction and engineering enterprises in the Mainland. In November 2018, the State Council announced that it has removed, under the framework of CEPA, the restrictions with regard to the scope of projects

that may be undertaken by Hong Kong construction and engineering enterprises in the Mainland pilot free trade zones. TID has reported the measure in its letter dated 13 December 2018 to the Legislative Council Panel on Commerce and Industry and disseminated the relevant information through its CEPA website. We have also expressed to the Ministry of Commerce of CPG the wish to extend the measure to the whole of the Mainland as soon as possible. The measure will be implemented after the relevant laws and regulations are promulgated by the Mainland, and does not involve amendments to the provisions of CEPA. TID will continue to follow up on the implementation of the measure with the Ministry of Commerce of CPG through the existing mechanism.

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