

LC Paper No. CB(1)1047/18-19 (These minutes have been seen by the Administration)

Ref : CB1/PL/CI

Panel on Commerce and Industry

Minutes of meeting held on Tuesday, 19 March 2019, at 4:30 pm in Conference Room 1 of the Legislative Council Complex

Members present	:	Hon YIU Si-wing, BBS (Chairman) Hon Alvin YEUNG (Deputy Chairman) Hon WONG Ting-kwong, GBS, JP Hon Steven HO Chun-yin, BBS Hon WU Chi-wai, MH
		Hon CHAN Chi-chuen Hon Christopher CHEUNG Wah-fung, SBS, JP Hon Martin LIAO Cheung-kong, SBS, JP
		Dr Hon CHIANG Lai-wan, SBS, JP Hon CHUNG Kwok-pan Hon CHU Hoi-dick
		Hon Jimmy NG Wing-ka, JP Hon SHIU Ka-fai Hon CHAN Chun-ying, JP
Members absent	:	Hon Jeffrey LAM Kin-fung, GBS, JP Hon MA Fung-kwok, SBS, JP Hon Charles Peter MOK, JP Hon Dennis KWOK Wing-hang Ir Dr Hon LO Wai-kwok, SBS, MH, JP Hon LAU Kwok-fan, MH
Member attending	:	Hon Jeremy TAM Man-ho

Public officers attending	:	Agenda item IV
attenung		Constitutional and Mainland Affairs Bureau
		Mr Patrick NIP, JP Secretary for Constitutional and Mainland Affairs
		Mr Roy TANG, JP Permanent Secretary for Constitutional and Mainland Affairs
		Ms Maisie CHAN, JP Deputy Secretary for Constitutional and Mainland Affairs
		Ms Queenie WONG Principal Assistant Secretary for Constitutional and Mainland Affairs
Clerk in attendance	e :	Mr Desmond LAM Chief Council Secretary (1)3
Staff in attendance	:	Mr Joey LO Senior Council Secretary (1)8
		Mr Terence LAM Council Secretary (1)3
		Ms May LEUNG Legislative Assistant (1)3
		Miss Zoe YIP Clerical Assistant (1)3

I. Confirmation of minutes of meetings

(LC Paper No. CB(1)673/18-19	 Minutes of meeting held 18 December 2018	on
LC Paper No. CB(1)699/18-19	 Minutes of meeting held 15 January 2019)	on

The minutes of the meetings held on 18 December 2018 and 15 January 2019 were confirmed.

II. Information paper issued since last meeting

(LC Paper No. CB(1)676/18-19(01)	Letter dated 5 March 2019 from
	Hon Dennis KWOK regarding his
	request for discussion with the
	Administration on the issue of
	Hong Kong's accession to the
	Comprehensive and Progressive
	Agreement for Trans-Pacific
	Partnership at a future Panel
	meeting within this session)

2. <u>Members</u> noted the above paper issued since the last meeting. Regarding Mr Dennis KWOK's request for discussion with the Administration on the issue of Hong Kong's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership at a future Panel meeting within this session, <u>members</u> agreed that the issue could be included for discussion under the agenda item of "Hong Kong's Free Trade Agreements" (i.e. item 2 of the list of outstanding items for discussion). <u>The Chairman</u> directed the Clerk to follow up the matter with the Administration.

(*Post-meeting note:* On the instruction of the Chairman and with the concurrence of the Administration, the issue raised by Mr Dennis KWOK had been included in the item "Hong Kong's Free Trade Agreements" for discussion at the Panel meeting on 16 April 2019.)

III. Date of next meeting and items for discussion

(LC Paper No. CB(1)698/18-19(01)	 List	of	outstanding	items	for
	discussion				

LC Paper No. CB(1)698/18-19(02) -- List of follow-up actions)

3. <u>Members</u> noted that the next regular Panel meeting would be held on 16 April 2019 at 2:30 pm to discuss the following items proposed by the Administration:

- (a) Progress of the implementation and enhancements of the Dedicated Fund on Branding, Upgrading and Domestic Sales; and
- (b) Hong Kong's Free Trade Agreements.

4. Regarding item 4 of the list of follow-up actions, <u>members</u> noted that the Administration had provided supplementary information on the details of each of the funding schemes under the Innovation and Technology Fund ("ITF") since their launch. In response to Dr CHIANG Lai-wan's request for further discussion with the Administration on the effectiveness of the funding schemes under ITF, <u>members</u> agreed that the subject be included in the list of outstanding items for discussion. <u>The Chairman</u> directed the Clerk to coordinate with the Administration on the proposed date of meeting for discussion.

IV. Proposed creation of directorate posts for the new Guangdong-Hong Kong-Macao Greater Bay Area Development Office

(LC Paper No. CB(1)698/18-19(03) -- Administration's paper on "Proposed Creation of Directorate Posts in the Guangdong-Hong Kong-Macao Greater Bay Area Development Office of the Constitutional and Mainland Affairs Bureau")

Presentation by the Administration

5. At the invitation of the Chairman, Secretary for Constitutional and Mainland Affairs ("SCMA") briefed the Panel on the role and functions of the Guangdong-Hong Kong-Macao Greater Bay Area ("Greater Bay Area") Development Office; and sought the Panel's support for the proposed creation of two supernumerary directorate posts, namely the Commissioner for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area ("CGBA") and the Assistant Commissioner for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area (1) ("ACGBA(1)"), for four years, and other establishment-related arrangements of the proposed Greater Bav Area Development Office. Details were set out in the Administration's paper (LC Paper No. CB(1)698/18-19(03)).

Clerk

Discussion

Proposed ranking of the Commissioner for the Development of the Guangdong-Hong Kong Macao Greater Bay Area

6. <u>Mr Jeremy TAM</u> noted that the work pertaining to the development of the Greater Bay Area was currently undertaken by the Deputy Secretary for Constitutional and Mainland Affairs (3) ("DS(CMA)3"), which was pitched at the rank of Administrative Officer Staff Grade B ("AOSGB (D3)"). He enquired why the proposed CGBA, who would take up the duties in relation to the Greater Bay Area Development of DS(CMA)3, was pitched at the rank of Administrative Officer Staff Grade A ("AOSGA (D6)"), but not at a lower rank, say at the Directorate Pay Scale D5 level. He also sought justifications for creating the post of Deputy Commissioner for the Development of the Greater Bay Area ("DCGBA").

7. SCMA replied that following the promulgation of the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area ("Outline Development Plan"), the Administration saw an imminent need to set up a dedicated Greater Bay Area Development Office to strengthen liaison and collaboration with the Mainland authorities, spearhead efforts in the Hong Kong Special Administrative Region Government ("HKSARG"), and oversee the overall progress in taking forward the development of the Greater Bay Area. Having considered the scope and complexity of the duties of CGBA, the level of CGBA's Mainland and Macao counterparts, and the need for maintaining intensive interaction with senior officials in central and provincial authorities on issues such as the formulation of policy initiatives for implementation of the Outline Development Plan, the Administration considered it appropriate that the post of CGBA be pitched at the rank of AOSGA (D6) to head the Greater Bay Area Development Office. DS(CMA)3, to be retitled as DCGBA, would be redeployed to underpin CGBA in taking forward the development of the Greater Bay Area.

8. <u>Permanent Secretary for Constitutional and Mainland Affairs</u> ("PSCMA") added that of the seven ranks for the Administrative Officer ("AO") Grade under the existing structure, there was no rank being pitched at the Directorate Pay Scale 5 (i.e. D5) level. In general, an AO assuming a D5 post would be acting AOSGA (D6). It was also considered inappropriate to pitch the post of CGBA at the rank of Administrative Officer Staff Grade B1 (D4) because the DCGBA post (i.e. the rank of AOSGB (D3)) would only report to the post at the rank of AOSGA (D6) or above under the existing arrangement.

9. <u>Mr Jeremy TAM</u> also raised concern that if the post of PSCMA was held by an AO substantively ranked as AOSGA (D6) in an acting capacity, the two AOs assuming the posts of PSCMA and CGBA respectively might indeed be at the same substantive rank despite that one reported to another. <u>PSCMA</u> replied that it was not uncommon for officers subordinating to another officer at the same substantive rank who was holding a more senior post in an acting capacity. According to the Civil Service performance management guide, an appraising officer whose substantive rank being the same as that of an appraisee should discuss the performance appraisal which he proposed to make with the next most senior officer, in this case, SCMA, before putting pen to paper.

10. In response to Mr Jeremy TAM's enquiry, <u>PSCMA</u> said that the Director of the Beijing Office of HKSARG was pitched at the rank of AOSGA (D6).

11. As regards Mr CHAN Chun-ying's enquiry on the details of the performance measurements to be taken for the proposed CGBA, <u>PSCMA</u> advised that since the proposed CGBA would be required to play an active role in the central coordination with the senior echelons of the Government and intensive interaction with senior officials in central and provincial authorities, it might not be practical to set specific targets or performance indicators for the proposed CGBA. The key was his/her work in securing the required policy breakthrough and innovation in taking forward the development of the Greater Bay Area.

Terms of office

12. <u>The Chairman and Mr CHAN Chun-ying</u> supported the Administration's proposal for the directorate establishment at the dedicated Greater Bay Area Development Office. Given that the development of the Greater Bay Area would be a long term national strategy and the Outline Development Plan had covered the period up to 2035, <u>the Chairman enquired about the rationales for not creating the two proposed directorate posts on a permanent basis. The Chairman also sought clarification on whether the proposed posts of CGBA and ACGBA(1) were intended to be a part of the Administration's interim measure only that the issues to be handled by the Greater Bay Area Development Office would eventually be taken up by different government bureaux/departments ("B/Ds") upon the expiry of the two posts. <u>Mr CHAN</u> shared a similar concern and enquired about the reasons for creating the 17 additional non-directorate time-limited posts.</u>

13. <u>PSCMA</u> responded that the Outline Development Plan covered the period up to 2022 in the immediate term, extending to 2035 in the long term. While recognizing the work pertaining to the development of the Greater Bay Area Development would last for a long term, the Administration had taken a prudent approach by first creating the supernumerary directorate posts and time-limited

non-directorate posts. The long term need of manpower and a dedicated Office would be reviewed nearer the time having regard to the work arising from the progress and development of the Greater Bay Area. <u>SCMA</u> advised that the Administration would make use of the experience to be accumulated in the next four years to evaluate the long term manpower needs of the Greater Bay Area Development Office and seek approval from the Legislative Council on its long term establishment proposal at the appropriate juncture.

Recruitment of the proposed Commissioner for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area

14. <u>Mr CHAN Chi-chuen</u> asked whether the proposed post of CGBA would be filled by internal recruitment. <u>PSCMA</u> advised that it was considered appropriate to fill the CGBA post by civil servant as the incumbent should require the necessary experience, authority and leadership to work closely with senior officials of the Government and Mainland and Macao counterparts. The Civil Service Bureau would identify the most suitable candidate to take up the post in accordance with the established procedure.

Publicity efforts to promote the development of the Greater Bay Area

15. <u>Mr CHAN Chun-ying</u> noted that the proposed CGBA would act as the head of the Greater Bay Area Development Office to formulate overall public relations strategy locally and overseas in support of Hong Kong's participation in the development of Greater Bay Area. Given that the development was still at an initial stage, he enquired whether the CGBA post would in the immediate term up to 2022 focus its resources on publicity efforts locally and within the Greater Bay Area cities, but not internationally.

16. <u>PSCMA</u> replied that the development of the Greater Bay Area had drawn worldwide attention. Following the promulgation of the Outline Development Plan, the Administration would continue to promote to the international community both the opportunities to be brought by the Greater Bay Area development and Hong Kong's industries with competitive edge, such as the professional services. The Chief Executive ("CE") and other principal officials had been promoting the Greater Bay Area through overseas visits. For example, CE had led a delegation to visit France in June 2018 to promote the opportunities brought by the Greater Bay Area development together with the Vice Governor of Guangdong Province and the President of the Macao Trade and Investment Promotion Institute of the Macao Special Administrative Region ("SAR"). CE would embark on another visit to Japan in April 2019 to further promote the Greater Bay Area Development.

17. <u>Mr WONG Ting-kwong</u> said that the Democratic Alliance for the Betterment

and Progress of Hong Kong was supportive of the establishment of the Greater Bay Area Development Office. He suggested that individual liaison offices be set up in each of the other 10 cities in the Greater Bay Area to assist Hong Kong people in the living and working in the Greater Bay Area. The Greater Bay Area Development Office might take the lead in carrying out preparatory work for setting up the liaison offices. He also considered that CGBA should promote the Greater Bay Area overseas to attract foreign investments.

18. <u>SCMA</u> responded that the Greater Bay Area Development Office would strengthen liaison with Mainland authorities to jointly formulate and pursue implementation plans in different policy areas. It would also enhance cooperation at both government and industry/sector levels. External promotions would be conducted to attract foreign enterprises to invest in the Greater Bay Area and help Mainland enterprises to go global.

19. <u>The Chairman</u> noted that the 11 cities in the Greater Bay Area had jointly set up the Tourism Federation of Cities in the Greater Bay Area in December 2017, the Travel Industry Council of Hong Kong ("TIC") had arranged three visits since 2018 to the Greater Bay Area for the trade to explore business opportunities, and the Administration had proposed to allocate additional funding for the Hong Kong Tourism Board and TIC to step up the promotion of Hong Kong's image as a premier tourism destination. As the CGBA post would also be responsible for overseeing the publicity efforts to promote the development of the Greater Bay Area, <u>the Chairman</u> requested the Administration to further elaborate on the the division of work among the Greater Bay Area Development Office and other B/Ds in promoting tourism and taking forward the development of the Greater Bay Area.

20. SCMA responded that the proposed CGBA would formulate overall public relations strategy with a view to raising the understanding and interest in the development of the Greater Bay Area as well as enhancing awareness of the development opportunities among various sectors of the society. The Administration would promote the Greater Bay Area as well as the latest information about the policy measures to different sectors through various channels such as the dedicated website on the Greater Bay Area, social media and other online platforms, and through organizing thematic forums, etc. The proposed CGBA would coordinate the overall policies in relation to Hong Kong's participation in the Greater Bay Area Development and oversee the overall progress in taking forward the initiative. On the other hand, B/Ds would take the lead to engage the industries and the community when the relevant policy measures under their respective purview were to be implemented.

Public consultation

21. <u>Mr CHAN Chi-chuen</u> hoped that the proposed CGBA should, apart from promoting the advantages of the development of the Greater Bay Area, also make it clear to Hong Kong people that there would be areas of concern about investing, living, working and travelling in the Greater Bay Area. He also pointed out that as the public had never been consulted on the subject, many Hong Kong people felt that Hong Kong was being planned to take forward this national strategy even though the Administration had stressed repeatedly that HKSARG had participated in the process of the drawing up of the Outline Development Plan. He asked whether the Administration would consider gauging public views on the Outline Development Plan and whether the proposed CGBA would be tasked with conducting extensive public consultation when formulating concrete policies and measures to implement the Outline Development Plan.

22. PSCMA advised that in the process of drawing up the Outline Development Plan, HKSARG had consulted the relevant sectors and stakeholders and reflected their views to the Central Government. SCMA added that following the promulgation of the Outline Development Plan, the Steering Committee for the Development of the Greater Bay Area ("the Steering Committee") chaired by CE would set priorities in taking forward the development of the Greater Bay Area, and B/Ds would consult the industries and the relevant stakeholders in formulating concrete policies. The proposed CGBA would focus on supporting the Steering Committee, formulating the overall policies in relation to Hong Kong's participation in the Greater Bay Area Development and liaising with the Mainland The proposed CGBA would also provide the public with the latest authorities. information about the development of the Greater Bay Area through the dedicated website on the Greater Bay Area and social media platforms where the public could express their opinions.

Prioritized work focuses of the proposed Commissioner for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area

23. As the development of the Greater Bay Area would cover a wide spectrum of policy areas, <u>Mr CHUNG Kwok-pan</u> considered it necessary to set up a dedicated Greater Bay Area Development Office and create the proposed posts to oversee the overall progress. He asked whether the Administration would make public its prioritized work focuses on the development of the Greater Bay Area with the implementation timetable so as to encourage the industries to make corresponding investments. He also sought details of the Administration's handling of the proposals to be submitted by the industries on the development of the Greater Bay Area.

24. <u>SCMA</u> advised that with reference to the guiding directions set out in the Outline Development Plan, HKSARG's focuses in taking forward the development of the Greater Bay Area included, inter alia, developing an international innovation and technology ("I&T") hub; consolidating Hong Kong's status as international financial and trade centres; enhancing the level of liberalization for trade in services and trade in goods in the Greater Bay Area under the framework of the Mainland and Hong Kong Closer Economic Partnership Arrangement; fostering youth innovation and entrepreneurship; and attracting talents to the Greater Bay Area.

25. <u>SCMA</u> added that the Administration would maintain close contact with the industries and relevant stakeholders in taking forward the development of the Greater Bay Area in order to ensure that the relevant policy measures would better suit the needs of the society. He encouraged the industries to make reference to the relevant guiding directions set out in the Outline Development Plan and put forward specific proposals on measures which would be conductive to their development in the Greater Bay Area. The Administration would work with Mainland authorities to assist industries in the required policy innovation and breakthrough in the process of expanding opportunities.

Possible negative impacts on Hong Kong's economic growth

26. <u>Mr WU Chi-wai</u> had reservation on the setting up of the Greater Bay Area Development Office and creation of the proposed posts. He was concerned that Hong Kong's own interests would be disregarded when the Administration focused solely on the development of the Greater Bay Area. He was worried that HKSARG's active participation in the Outline Development Plan would eventually prompt foreign investments and I&T talents from settling in other cities in the Greater Bay Area. He was also concerned that the development of the Greater Bay Area would lead to economic restructuring in Hong Kong and bring negative impacts on Hong Kong's overall economic growth. On this, the Administration had been urged to safeguard Hong Kong's interests and prepare for the challenges ahead rather than merely encouraging Hong Kong people to look for opportunities in other cities of the Greater Bay Area.

27. <u>SCMA</u> said that the Outline Development Plan had covered the entire Greater Bay Area (including Hong Kong), and it aimed to promote coordinated economic development in the Greater Bay Area. The Outline Development Plan clearly supported Hong Kong's development in various areas which were conducive to maintaining Hong Kong's status as an international metropolis with enhanced competitiveness. The Administration had participated in the process of drawing up the Outline Development Plan and would continue to explore and identify the economic, social and livelihood opportunities brought to Hong Kong

by the development of the Greater Bay Area.

28. SCMA added that the promulgation of the Outline Development Plan had signified the development of the Greater Bay Area entering a key stage of fullfledged implementation. There was an imminent need to set up the Greater Bay Area Development Office to formulate and coordinate the overall policies in relation to Hong Kong's participation in development of the Greater Bay Area. To maintain Hong Kong's competitive edge over the other cities in the Greater Bay Area, Hong Kong had to capitalize on the opportunities arising from the Greater Bay Area development. The Administration would strive for early implementation of specific policies which would foster the diversified development of Hong Kong economy and seek to expand the living space and development of Hong Kong residents.

Setting up branch offices of major Mainland institutions in Hong Kong

Dr CHIANG Lai-wan supported the creation of the proposed posts to take 29. forward the overall Greater Bay Area policies. In order to consolidate Hong Kong's role as the southern gateway for the Mainland and attract foreign investments to enter the Greater Bay Area through Hong Kong, Dr CHIANG took reference from the establishment of China Maritime Arbitration Commission's first arbitration centre in Hong Kong (namely the China Maritime Arbitration Commission Hong Kong Arbitration Center) in 2014, and suggested that the proposed CGBA should identify and assist other major Mainland institutions to set up branch offices in Hong Kong to facilitate the growth of individual sectors in Hong Kong. In particular, she suggested the Administration to explore with the China National Intellectual Property Administration (formerly known as the State Intellectual Property Office) to set up a branch in Hong Kong so that trade mark owners in Hong Kong seeking protection of their trade marks in the Mainland could complete the application formalities in Hong Kong, thereby providing Hong Kong with new business opportunities and reinforcing Hong Kong's role as an international metropolis.

30. <u>SCMA</u> replied that the Greater Bay Area Development Office would act as the focal point of liaison with Mainland authorities at central, provincial and municipal levels, as well as the Macao SAR Government. The Greater Bay Area Development Office would help connect B/Ds of HKSARG with the relevant Mainland authorities to jointly formulate concrete policies and measures supporting the development of the Greater Bay Area in the context of their own responsibilities. Summing up

31. <u>The Chairman</u> concluded that the Panel supported in principle the Administration's proposal for the creation of the two supernumerary directorate posts in the Greater Bay Area Development Office and other relevant redeployment arrangements, and agreed that the proposal be submitted to the Establishment Subcommittee for consideration and approval.

V. Any other business

32. There being no other business, the meeting ended at 5:27 pm.

Council Business Division 1 Legislative Council Secretariat 14 May 2019