

**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

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**Controlling officer:** the Permanent Secretary for Commerce and Economic Development (Commerce, Industry and Tourism) will account for expenditure under this Head.

**Estimate 2020–21** ..... **\$3,432.6m**

**Establishment ceiling 2020–21** (notional annual mid-point salary value) representing an estimated 272 non-directorate posts as at 31 March 2020 rising by eight posts to 280 posts as at 31 March 2021 ..... **\$214.9m**

In addition, there will be an estimated 26 directorate posts as at 31 March 2020 reducing by one post to 25 posts as at 31 March 2021.

**Commitment balance**..... **\$99,808.3m**

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**Controlling Officer's Report**

**Programmes**

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| <b>Programme (1) Director of Bureau's Office</b>  | This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Commerce and Economic Development).                       |
| <b>Programme (2) Commerce and Industry<br/>Programme (3) Subvention: Hong Kong Trade Development Council</b>          | These programmes contribute to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).                             |
| <b>Programme (4) Posts, Competition Policy and Consumer Protection<br/>Programme (5) Subvention: Consumer Council</b> | These programmes contribute to Policy Area 4: Posts, Competition Policy and Consumer Protection (Secretary for Commerce and Economic Development). |
| <b>Programme (6) Travel and Tourism<br/>Programme (7) Subvention: Hong Kong Tourism Board</b>                         | These programmes contribute to Policy Area 5: Travel and Tourism (Secretary for Commerce and Economic Development).                                |
| <b>Programme (8) Public Safety</b>  | This programme contributes to Policy Area 7: Public Safety (Secretary for Commerce and Economic Development).                                      |
| <b>Programme (9) Subvention: Competition Commission</b>   | This programme contributes to Policy Area 4: Posts, Competition Policy and Consumer Protection (Secretary for Commerce and Economic Development).  |

**Detail**

**Programme (1): Director of Bureau's Office**

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	<b>2020–21 (Estimate)</b>
Financial provision (\$m)	13.5	13.8	13.7 (–0.7%)	<b>13.8</b> (+0.7%)
				(or same as 2019–20 Original)

**Aim**

**2** The aim is to ensure the smooth operation of the Office of the Secretary for Commerce and Economic Development.

**Brief Description**

**3** The Office of the Secretary for Commerce and Economic Development is responsible for providing support to the Secretary for Commerce and Economic Development in undertaking political work. This includes the support provided by the Under Secretary and the Political Assistant. The office is also responsible for providing administrative support to the Secretary for Commerce and Economic Development in carrying out his duties. The work includes the planning, co-ordination and implementation of all arrangements for the Secretary's public, media and community functions.

**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

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**Programme (2): Commerce and Industry**

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	<b>2020–21 (Estimate)</b>
Financial provision (\$m)	236.5	616.5	531.1 (–13.9%)	<b>535.0</b> (+0.7%)
				(or –13.2% on 2019–20 Original)

***Aim***

4 The aims are to encourage Hong Kong's trading partners, through multilateral, regional and bilateral means, to remove barriers to trade and investment; to promote Hong Kong's strengths so as to maintain international business confidence in Hong Kong; to develop Hong Kong as a competitive and knowledge-based economy by increasing the added value and productivity of Hong Kong's industries and enhancing the long-term competitiveness of small and medium enterprises (SMEs); to foster our trading and investment ties with the Mainland and support our businesses in seizing the opportunities created by the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), particularly in the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area), and the Belt and Road Initiative; to attract external direct investment into Hong Kong; to maintain a modern and comprehensive intellectual property (IP) regime which complies fully with international standards and serves Hong Kong's needs; and to foster exchanges and co-operation with Taiwan.

***Brief Description***

5 The Commerce, Industry and Tourism Branch's main responsibilities under this programme are 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;
- oversee the policy work related to overseas Economic and Trade Offices (ETOs), including expansion of the ETO network and enhancement of their functions;
- formulate policies on promotion of trade in goods and services;
- institute measures and arrangements to facilitate international trade and gain market access for Hong Kong's goods, services and investment;
- formulate policies to attract more external direct investment into Hong Kong;
- foster friendship and understanding between the business communities of Hong Kong and our major markets;
- formulate policies to support SMEs;
- formulate policies on protection of IP rights and promotion of IP trading;
- formulate policies and implementation proposals on the development of a trade single window (TSW) in Hong Kong;
- promote and safeguard market access of Hong Kong's goods and services through overseeing Hong Kong's active participation in the multilateral trading system, including seeking further trade liberalisations under the World Trade Organization (WTO);
- foster greater regional co-operation in the Asia-Pacific region through overseeing Hong Kong's active participation in the Asia-Pacific Economic Cooperation (APEC);
- enhance mutually beneficial economic relationship between Hong Kong and the Mainland through CEPA;
- enhance economic co-operation with trading partners as well as assist enterprises in diversifying markets and securing better market access through establishing co-operation arrangements, forging free trade agreements (FTAs) and investment promotion and protection agreements (IPPAs);
- provide support to local businesses operating in the Mainland; and
- support further development of wine-related businesses in Hong Kong.

## **Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

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### **6 During 2019–20, the Branch:**

- pursued actively the Belt and Road Initiative by organising a high-level delegation to participate in the second Belt and Road Forum for International Cooperation held in Beijing in April 2019; convening the second Joint Conference with the Mainland authorities in July 2019 to follow 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); supporting the Hong Kong Trade Development Council (HKTDC) in enhancing its Belt and Road Portal into a one-stop Belt and Road platform; co-organising the fourth Belt and Road Summit with HKTDC in September 2019; organising a series of sharing sessions, seminars and events to promote strategic partnership and project interfacing amongst enterprises and professional services sector of Hong Kong; and organising and participating in various business and professional missions to explore opportunities in Belt and Road related countries and regions;
- opened the Bangkok ETO in Thailand in February 2019;
- carried out preparatory work for the opening of the Dubai ETO in the United Arab Emirates (UAE), and followed up on proposals to set up new ETOs;
- closely monitored the trade protection measures adopted by the United States (US) since early 2018 and the developments of the trade conflict between the US and the Mainland and their impact on Hong Kong’s economy, maintained close communication with the trade and responded timely to their needs by introducing timely targeted measures to assist the trade in developing markets and diversifying risks, and to relieve their financing burden;
- worked with the Trade and Industry Department (TID) in enhancing the Dedicated Fund on Branding, Upgrading and Domestic Sales (BUD Fund) and the SME Export Marketing Fund (EMF) to provide additional support to local enterprises in embracing the economic challenges arising from the trade conflict between the US and the Mainland and the social unrest in Hong Kong, including (1) injecting \$2 billion into the BUD Fund and extending its geographical coverage to economies with which Hong Kong has signed FTAs, as well as doubling the cumulative funding ceiling to \$4 million per enterprise; and (2) injecting \$1 billion into the EMF and doubling the cumulative funding ceiling to \$800,000 per enterprise;
- extended the application period of the special concessionary measures (i.e. 80 per cent of guarantee product) under the SME Financing Guarantee Scheme (SFGS), as well as the validity period of the enhancement measures introduced in November 2018 to 30 June 2022, and introduced a new relief measure under SFGS and SME Loan Guarantee Scheme where enterprises may apply for principal moratorium of a maximum of 12 months;
- introduced a new 90 per cent of guarantee product under the SFGS through which 90 per cent of guarantee will be provided for approved loans to assist smaller-sized enterprises and businesses with relatively less operating experience, as well as professionals seeking to set up their own practices to obtain financing;
- worked with the Hong Kong Export Credit Insurance Corporation (HKECIC) to assist Hong Kong exporters, including introduction of enhanced measures for strengthening the support and protection to Hong Kong exporters amid the trade conflict between the US and Mainland;
- oversaw implementation of measures to strengthen institutional arrangements and support services for promotion of inward investment into Hong Kong;
- worked on the planning for new convention and exhibition facilities to maintain and consolidate the international status of Hong Kong’s convention and exhibition industry;
- continued to implement the relevant recommendations of the Task Force on Manpower Development of the Retail Industry;
- continued to implement the Professional Services Advancement Support Scheme (PASS) to provide funding support for non-profit-making industry-led projects aimed at increasing exchanges and co-operation of Hong Kong’s professional services with their counterparts in external markets, promoting relevant publicity activities, and enhancing the standards and external competitiveness of Hong Kong’s professional services;
- continued to oversee the implementation of various measures to promote Hong Kong as a premier IP trading hub in the Asia-Pacific region;
- oversaw the launch of the Original Grant Patent system in Hong Kong on 19 December 2019;
- introduced the Trade Marks (Amendment) Bill 2019 into the Legislative Council in February 2019 to apply the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (Madrid Protocol) to Hong Kong;
- introduced the Copyright (Amendment) Bill 2019 into the Legislative Council in November 2019 to enhance the copyright exceptions for persons with print disability to meet the requirements under the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled;

## **Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

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- continued to oversee efforts to promote awareness of and respect for IP rights in the community and the business sector;
- continued to take forward the development of TSW by further extending the coverage of the new e-platform to a total of 12 documents under Phase 1, drawing up the funding application to the Legislative Council Finance Committee for the IT system required for implementation of Phase 2, and engaging stakeholders in developing detailed proposals for implementation of Phase 3;
- continued to monitor the operation of the Government Electronic Trading Services (GETS) including the services delivered by the three GETS service providers appointed through open tender;
- continued to oversee measures taken by the Customs and Excise Department (C&ED) to enhance cargo clearance efficiency and expedite cross-boundary cargo flow, including the Single E-Lock Scheme and the Hong Kong Authorised Economic Operator (AEO) Programme;
- oversaw participation in the work of the WTO, including safeguarding Hong Kong's rights through monitoring and responding to trade restrictive measures which impacted on Hong Kong's trade interests and brought systemic risks to the multilateral trading system;
- oversaw participation in the APEC for strengthening regional economic integration, expanding trade, and assessing its progress towards the goal of free and open trade and investment in the region;
- oversaw discussions with the Mainland on further market liberalisation and facilitation of trade and investment through CEPA, and on ensuring smooth implementation of the measures announced;
- oversaw the ratification of the FTA and IPPA signed with Australia in March 2019 and the signing of IPPAs respectively with the UAE in June 2019 and Mexico in January 2020;
- maintained close liaison with the Mainland authorities and assisted the trade in understanding and coping with changes arising from the Mainland's new policies on trade and investment;
- co-ordinated Hong Kong's participation in the second China International Import Expo (CIIE) in Shanghai;
- continued efforts in fostering co-operation with Taiwan on trade, investment and tourism fronts; and
- continued to implement measures to underpin the further development of wine-related businesses in Hong Kong, including trade promotion and facilitation measure for wine re-exports to the Mainland.

### ***Matters Requiring Special Attention in 2020–21***

7 During 2020–21, the 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 strengthening co-operation in areas including capacity building with relevant Mainland authorities under the Belt and Road Joint Conference mechanism; following up on the implementation of the Arrangement through the third Joint Conference to be held in mid-2020; co-organising with HKTDC the fifth Belt and Road Summit on 9 and 10 September 2020; spearheading 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, including those in the Mainland's Economic and Trade Cooperation Zones; promoting closer partnership amongst enterprises and professional services sector of Hong Kong to "go global" en bloc under the Initiative; and staging sharing sessions, seminars and events to promote project interfacing and Hong Kong's distinctive edge and position under the Initiative;
- strengthen efforts to promote the business advantages of Hong Kong in the Mainland, Taiwan and overseas, including Belt and Road related countries and regions, as well as to attract more multinational companies to set up regional or global operations in Hong Kong to capitalise on new opportunities arising from the Greater Bay Area Development;
- continue to carry out preparatory work for the commencement of operation of the Dubai ETO;
- continue to strengthen policy work related to ETOs, including formulating strategies on expansion of the ETO network and enhancement of their functions;
- continue to monitor developments on various regional economic integration initiatives and explore opportunities for Hong Kong's participation;
- continue to oversee discussions or negotiations with trading partners on enhancement of economic co-operation;
- continue to oversee collaboration among agencies responsible for promoting trade and inward investment;
- continue to closely monitor the trade protection measures adopted by the US since early 2018 and the developments of the trade conflict between the US and the Mainland and their impact on Hong Kong's economy, maintain close communication with the trade, and consider introducing further measures to provide timely support to the trade as necessary;

## **Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

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- continue to work with TID and the 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 FTA markets;
- continue to work with TID to implement the enhanced EMF to support Hong Kong enterprises in exploring the Mainland and overseas markets;
- continue to work with the HKMC Insurance Limited to implement SFGS and continue to monitor its operation;
- continue to work with HKECIC to assist Hong Kong exporters;
- continue to work with the related industries to enhance the appeal of Hong Kong as an international convention, exhibition and tourism capital;
- continue to plan for new convention and exhibition facilities to maintain and consolidate the international status of Hong Kong's convention and exhibition industry;
- continue to implement the relevant recommendations of the Task Force on Manpower Development of the Retail Industry;
- continue to implement PASS to provide funding support for non-profit-making industry-led projects undertaken by non-profit distributing organisations and take forward a number of measures to enhance the operation and user-friendliness of the scheme;
- continue to oversee various measures to promote Hong Kong as a premier IP trading hub in the region;
- oversee the implementation and promotion of the newly-introduced Original Grant Patent system;
- continue to oversee the preparatory work for the implementation of the international trade mark registration system under the Madrid Protocol in Hong Kong;
- continue to take forward the legislative exercise involving the Copyright (Amendment) Bill 2019 which seeks to enhance the copyright exceptions for persons with print disability;
- continue to oversee efforts to promote awareness of and respect for IP rights in the community and the business sector;
- continue to take forward the development of TSW under Phases 2 and 3 and engage stakeholders in refining detailed proposals for implementation of the two Phases;
- continue to monitor the operation of GETS and carry out preparatory work for the adoption of *iAM Smart* in GETS;
- continue to oversee the work of C&ED in promoting the Single E-Lock Scheme and the Hong Kong AEO Programme to the trade, and in further extending Hong Kong's network of AEO mutual recognition arrangement to other economies;
- continue to oversee participation in the work of the WTO;
- continue to oversee participation in the work of the APEC;
- continue to oversee efforts for seeking better market access and facilitation of trade and investment in the Mainland through CEPA, and for ensuring effective implementation of the measures announced;
- explore forging FTAs respectively with Thailand and the Pacific Alliance, and seek accession to the Regional Comprehensive Economic Partnership after the Agreement is signed, and continue to pursue the signing of IPPAs with Bahrain and Myanmar respectively upon completion of all the necessary procedures;
- continue to maintain close communication with the Mainland authorities and assist the trade in adjusting to the changes in the Mainland's trade and investment policies, and in promoting Hong Kong products and services to Mainland market;
- continue to co-ordinate Hong Kong's participation in CIIE;
- continue efforts in fostering co-operation between Hong Kong and Taiwan on trade, investment and tourism matters;
- continue to support the further development of wine-related businesses in Hong Kong; and
- launch promotional campaign to enhance Hong Kong's international image as the best place to do business and the premier destination for investment and tourists in collaboration with other Hong Kong overseas agencies.

**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

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

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	2020–21 (Estimate)
Financial provision (\$m)	435.5	435.5	491.5 (+12.9%)	<b>614.2</b> (+25.0%)
				(or +41.0% on 2019–20 Original)

**Aim**

8 The aim is to help HKTDC perform its statutory functions, i.e. to promote, assist and develop Hong Kong's trade with places outside Hong Kong, with particular reference to exports; and to make recommendations to the Government as it sees fit in relation to any measures which it considers would achieve an increase in Hong Kong's trade.

**Brief Description**

9 A statutory body established in 1966, HKTDC is the international marketing arm for Hong Kong-based traders, manufacturers and services providers. With 50 offices worldwide, including 13 in the Mainland, the HKTDC:

- promotes 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;
- organises trade fairs and major conferences, e-marketplace on hktdc.com, international trade promotion events and business missions to help Hong Kong companies seize opportunities in the Mainland and around the world;
- provides market information through trade publications, research reports and its research portal, and a market intelligence website "Hong Kong Means Business";
- organises workshops to assist Hong Kong companies to enhance their capabilities; and
- reinforces Hong Kong as a global marketplace in the Asia-Pacific region through corporate relations and business promotion activities around the world, including support for six bilateral committees and 46 Hong Kong business associations in 35 countries.

10 The key performance measures in respect of promoting Hong Kong's external trade are:

**Indicators**

	2018 (Actual)	2019 (Actual)	2020 (Estimate)
trade and services promotion			
events .....	863	846	<b>861</b>
companies participating .....	80 682	79 505	<b>80 040</b>
local fairs			
no. of Mainland and overseas buyers .....	444 128	419 690	<b>380 293</b>
no. of fairs .....	37	37	<b>36</b>
business-matching enquiries worldwide			
no. of business enquiries handled .....	3 214 311	3 215 107	<b>3 216 000</b>
no. of business connections made .....	19 870 396	19 885 466	<b>19 890 000</b>
trade publications			
worldwide circulation (million) .....	3.1	3.1	<b>3.1</b>
no. of issues .....	116	108	<b>109</b>
no. of advertisers on HKTDC's trade portal (hktdc.com) .....	29 768	29 619	<b>30 000</b>

**Matters Requiring Special Attention in 2020–21**

11 During 2020–21, HKTDC will:

- cement Hong Kong's position as a global investment and business hub, riding on opportunities from the Belt and Road Initiative and the Greater Bay Area development;
- leverage Hong Kong's value-added and customised offerings to create and facilitate business opportunities worldwide; and
- nurture an international entrepreneurial ecosystem for Hong Kong in the digital era.

**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

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

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	<b>2020–21 (Estimate)</b>
Financial provision (\$m)	20.6	10.7	10.7 (—)	<b>10.8</b> (+0.9%)
				(or +0.9% on 2019–20 Original)

***Aim***

**12** The aims are to promote economic efficiency in the delivery of postal services; to promote competition; and to protect consumer interests.

***Brief Description***

**13** The Branch's main responsibilities under this programme are to formulate policies and programmes in relation to postal services, the promotion of economic efficiency and free market through competition, and the protection of consumer interests.

**14** During 2019–20, the Branch:

- monitored the implementation of the Competition Ordinance (Cap. 619) (CO);
- published the annual report of the Competition Policy Advisory Group (COMPAG) for the year 2018 on the COMPAG website, and continued to co-ordinate the work of government bureaux and departments in promoting competition;
- considered the views collected during the public consultation on the proposed framework for implementing a statutory cooling-off period for certain consumer contracts, with a view to refining the framework as necessary and preparing the relevant legislative proposal;
- monitored the implementation of the amended Trade Descriptions Ordinance (Cap. 362) in tackling unfair trade practices that might be deployed in consumer transactions;
- monitored the operation of the Post Office Trading Fund (POTF) and implementation of improvement measures on customer service and productivity;
- monitored the project to re-provision the Hongkong Post's (HKP) Headquarters; and
- monitored HKP's preparation for the redevelopment of their Air Mail Centre (AMC).

***Matters Requiring Special Attention in 2020–21***

**15** During 2020–21, the Branch will:

- continue to monitor the implementation of the CO in tackling anti-competitive conduct in all sectors;
- continue to support the work of COMPAG;
- continue to carry out the legislative work for a statutory cooling-off period for certain consumer contracts, with a view to implementing the cooling-off period arrangement upon passage of the legislative proposal;
- continue to monitor the implementation of the amended Trade Descriptions Ordinance in tackling unfair trade practices that may be deployed in consumer transactions;
- continue to monitor the operation of the POTF and work with HKP on measures to improve POTF's financial position;
- continue to monitor the project of work in re-provisioning the HKP's Headquarters; and
- work with HKP in preparing for the redevelopment of the AMC with a view to enhancing its handling capacity and efficiency.

**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

**Programme (5): Subvention: Consumer Council**

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	2020–21 (Estimate)
Financial provision (\$m)	117.2	131.8	151.6 (+15.0%)	<b>144.9</b> (–4.4%)
				(or +9.9% on 2019–20 Original)

**Aim**

16 The aim is to protect and promote the interests of consumers of goods and services.

**Brief Description**

17 The Consumer Council (the Council) is an independent body established under the Consumer Council Ordinance (Cap. 216). The Council discharges its functions by:

- collecting, receiving and disseminating information concerning goods, services and immovable property;
- examining complaints and giving advice to consumers;
- tendering advice to the Government on ways to enhance consumer protection;
- conducting product tests and research;
- encouraging business and professional associations to establish codes of practice to regulate the activities of their members;
- monitoring trade practices;
- facilitating consumers to seek redress through the use of the Consumer Legal Action Fund; and
- empowering consumers through education and publicity campaigns.

18 The key performance measures in respect of protection and promotion of consumer interests are:

**Targets**

	Target	2018 (Actual)	2019 (Actual)	2020 (Plan)
handling consumer enquiries				
telephone calls answered within three minutes (%).....	80	86	89	<b>92</b>
waiting time for over-the-counter enquiry service not to exceed ten minutes (%).....	100	100	100	<b>100</b>
issuing reply in writing within 15 working days (%)◇.....	100	100	100	<b>100</b>
handling consumer complaints				
telephone calls answered within three minutes (%).....	80	84	90	<b>92</b>
in writing				
issuing preliminary reply within seven working days (%)v.....	100	99.2	99.5	<b>97.0</b>
notifying complainants of results/progress within 16 working days (%)ω.....	100	99.7	99.7	<b>97.0</b>
publications of “CHOICE” and release of product testing, research and survey results once per month (%).....	100	100	100	<b>100</b>

◇ The target will be shortened from 15 to ten working days as from 2020. The figure for 2020 represents the performance plan under the new target.

v This target will be shortened from seven to five working days as from 2020. The figure for 2020 represents the performance plan under the new target.

ω This target will be shortened from 16 to nine working days as from 2020. The figure for 2020 represents the performance plan under the new target.



**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

*Indicators*

	2018 (Actual)	2019 (Actual)	2020 (Estimate)
consumer complaints.....	26 165	24 615	25 000
consumer enquiries.....	77 952	70 128	75 000
product tests^.....	44	43	46
consumer surveys^.....	29	30	33
in-depth studies^.....	17	11	11
studies of general interest^.....	19	21	20
response to consultation from the Government and other public bodies#.....	12	14	12
consumer educational programmes.....	225	202	302
circulation of publications.....	295 500	280 500	292 000

^ Each year, the Council conducts product tests, consumer surveys, in-depth studies and studies of general interest. Manpower and resources are deployed in accordance with the respective resource demands of researches and studies scheduled for the year.

# The number of responses to consultation depends on the number of consultations conducted by Government and other public bodies during the year. The figure for the coming year is an indicative forecast only.

**Matters Requiring Special Attention in 2020–21**

19 During 2020–21, the Council will continue:

- the development of the “CHOICE” Magazine by building a mobile-optimised online version;
- the enhancement of the Online Price Watch; and
- the redevelopment of the Council’s official website with a view to making it more user-friendly, easier to navigate and more interactive.

**Programme (6): Travel and Tourism**

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	2020–21 (Estimate)
Financial provision (\$m)	319.1	735.8	722.4 (–1.8%)	465.0 (–35.6%)  (or –36.8% on 2019–20 Original)

**Aim**

20 The aim is to maintain Hong Kong’s position as a key tourist destination in Asia.

**Brief Description**

21 The Branch’s main responsibilities under this programme are to:

- formulate policies on tourism development and regulation; and
- co-ordinate implementation of tourism projects and initiatives in consultation with the industry, relevant government departments and agencies.

22 During 2019–20, the Branch:

- established the Travel Industry Authority (TIA), as a new statutory regulatory body primarily responsible for the licensing and regulation of travel agents, tourist guides and tour escorts, to embark on formulating details of the new regulatory regime for the travel industry;
- worked with the Hong Kong Tourism Board (HKTB) and the Travel Industry Council of Hong Kong (TIC) to take forward measures to help the tourism industry cope with the austere business environment;
- initiated co-ordination with government departments and relevant bodies on policy and projects/initiatives to promote tourism development. Projects included “A Symphony of Lights”, “Yim Tin Tsai Arts Festival”, the enhancement of the selected hiking trails, the review of the facilities in the Hong Kong Wetland Park, the “Lei Yue Mun Waterfront Enhancement Project”, and the tourism project making use of augmented reality and multimedia creative technology, etc;
- supported the promotion and marketing work of the HKTB, including relevant work on multi-destination itineraries, in key source markets, new markets as well as non-Guangdong provinces of the Mainland;

## **Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

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- co-ordinated with the HKTB and relevant parties to further showcase Hong Kong as a premier destination for fine food and wine;
- continued the work with the HKTB to enhance promotion of Hong Kong as a premier Meetings, Incentive Travels, Conventions and Exhibitions (MICE) destination and offer necessary support to prominent MICE events;
- continued to work with the HKTB, the tourism sector and relevant government departments to diversify and promote the green tourism products on offer in Hong Kong, including the enhancement of the tourism supporting facilities of hiking trails and the review of the facilities in the Hong Kong Wetland Park;
- continued to work with the trade, the HKTB, the TIC, the Consumer Council and the Mainland authorities to promote quality and honest tourism;
- continued to monitor and support the operation of the HKTB;
- continued to monitor the operation of the Kai Tak Cruise Terminal and worked closely with the Advisory Committee on Cruise Industry to develop Hong Kong into a leading cruise hub in the region;
- continued to take forward the expansion projects of the Hong Kong Disneyland Resort;
- collaborated with the Hong Kong Design Centre to take forward the creative tourism project “Design District Hong Kong”;
- continued with the housekeeping responsibility for the Ocean Park Corporation and facilitated its implementation of the waterpark and hotel projects;
- supported the Ocean Park Corporation in promoting education tourism and staging a new 3D project-cum-water light show to enhance its competitiveness and attract more family segment visitors;
- continued to work with the TIC on the regulation of travel agents, tourist guides and tour escorts under the existing regulatory regime of the travel industry;
- supported the TIC in taking forward different initiatives to enhance the competitiveness and service quality of the travel trade, including implementing the Pilot Information Technology Development Matching Fund Scheme for Travel Agents, developing a new web-based tourism resource platform about Belt and Road related countries and regions and Greater Bay Area cities, organising trade visits to the Greater Bay Area to deepen co-operation with the Mainland travel trade, etc.;
- pursued further facilitating measures for overseas travellers visiting the Mainland via Hong Kong, including through the Agreement Concerning Amendment to the CEPA Agreement on Trade in Services signed in November 2019;
- co-ordinated 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;
- continued to monitor the implementation of the pilot scheme on food trucks during the extension period and implement refinement measures;
- extended the official landing page “Visit Hong Kong” ([visithongkong.gov.hk](http://visithongkong.gov.hk)) to facilitate access to key tourism information on mobile devices by visitors, particularly when they use free Wi-Fi services at key boundary control points;
- launched the “Yim Tin Tsai Arts Festival”, a new pilot arts cum historical, cultural and green tourism project at Yim Tin Tsai; and
- commissioned a consultancy study on smart tourism development.

### ***Matters Requiring Special Attention in 2020–21***

**23** During 2020–21, the Branch will:

- take forward the new tourism project making use of augmented reality and multimedia and creative technology to enable visitors to experience the historical landscape and community culture;
- continue to work 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, upgrading the facilities of the Wong Nai Chung Gap Trail so as to enhance its appeal as a heritage and green tourism attraction, developing a hiking hub in Lantau, and to explore similar possibility at Pak Tam Chung;
- further extend and maintain the official landing page to cover more boundary control points to provide visitors with useful tourist information;
- support the consultancy study on smart tourism development;

## **Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

- continue to work with the HKTB to enhance promotion of Hong Kong as a premier MICE destination and offer necessary support to prominent MICE events;
- continue to work with the HKTB to carry out a light installation project at the Central Harbourfront;
- continue to work closely with the Advisory Committee on Cruise Industry, the operators of the two cruise terminals, and the HKTB to develop Hong Kong into a leading cruise hub in the region;
- continue to take forward the expansion projects of the Hong Kong Disneyland Resort to maintain its attractiveness and competitiveness;
- prepare for the new tenancy of the Kai Tak Cruise Terminal, with a view to enhancing the facilities and ancillary commercial area at the Terminal as well as the service standard of the terminal operator;
- continue to take forward the creative tourism project with creative, artistic and cultural elements at selected districts, and organise the pilot arts cum historical, cultural and green tourism project at Yim Tin Tsai;
- 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 projects, with a view to strengthening Hong Kong's position as a premier destination in the region;
- support, subject to availability of funding, the Ocean Park Corporation to implement the strategic repositioning plan, with a view to enhancing its competitiveness and bringing more comprehensive entertainment experience to visitors;
- 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;
- continue to monitor the implementation of the pilot scheme on food trucks and conduct a review of the scheme;
- continue to liaise with the relevant Mainland authorities to facilitate the implementation of CEPA and other tourism-related measure;
- continue to support the promotion and marketing work of the HKTB in different source markets for restoring confidence in visiting Hong Kong;
- continue to monitor the implementation of pilot scheme by the HKTB on supporting tourism events showcasing Hong Kong's local characteristics;
- continue to work with the HKTB, the tourism sector, tourist attractions and relevant government departments in promoting tourism products in Hong Kong as enshrined in the Development Blueprint for Hong Kong's Tourism Industry;
- continue to work with the trade, the HKTB, the TIC and the Consumer Council and Mainland authorities to promote quality and honest tourism;
- continue to work with the TIC on the regulation of travel agents, tourist guides and tour escorts under the existing regulatory regime of the travel industry;
- support the TIA regarding its preparation for the full implementation of the new regulatory regime for the travel industry and prepare for its takeover of functions of the Travel Agents Registry and regulatory functions of TIC;
- continue to support the TIC to take forward different initiatives to enhance the competitiveness and service quality of the travel trade, including implementing the Pilot Information Technology Development Matching Fund Scheme of Travel Agents, enhancing and promoting the web-based tourism resource platform about Belt and Road related countries and regions and Greater Bay Area cities, organising trade visits to the Greater Bay Area to deepen co-operation with the Mainland travel trade, strengthening training for the trade such as development of e-learning, etc.; and
- continue to work with the HKTB and the TIC to take forward helping measures for the tourism industry.

### **Programme (7): Subvention: Hong Kong Tourism Board**

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	<b>2020–21 (Estimate)</b>
Financial provision (\$m)	962.6	1,070.2	1,084.9 (+1.4%)	<b>1,502.2</b> (+38.5%)
				(or +40.4% on 2019–20 Original)

#### ***Aim***

**24** The aim is to promote inbound tourism and maximise the socio-economic contribution that tourism makes to Hong Kong.

## Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

### *Brief Description*

25 The HKTB is a statutory body subvented by the Government. The objectives of the HKTB are to:

- endeavour to increase the contribution of tourism to Hong Kong;
- promote Hong Kong globally as a leading international city in Asia and a world-class tourist destination;
- promote the improvement of facilities for visitors;
- support the Government in promoting to the community the importance of tourism;
- support, as appropriate, the activities of persons and organisations providing services for visitors to Hong Kong; and
- make recommendations to and advise the Government on measures which may further any of the foregoing objectives.

26 Funds invested by the HKTB in promotional activities aim at growing high value visitors to Hong Kong and maximising their spending.

27 The effectiveness of the performance of the HKTB cannot be assessed entirely in quantifiable terms. However, the statistics below help illustrate the overall position and forecasts of the Hong Kong tourism industry.

### *Indicators*

	2018 (Actual)	2019 (Revised Estimate) $\Delta$	2020 (Estimate) $\Delta$
visitor arrivals (million) .....	65.1	55.9	<b>50.3</b>
increase on previous year (%) $\Psi$ .....	+11	-14	<b>-10</b>
tourism expenditure associated with inbound tourism (\$ billion) $\P$ .....	328.2	259.8	<b>231.4</b>
change over the previous year (%) $\Psi$ .....	+10	-21	<b>-11</b>
per capita expenditure of overnight visitor (\$) $\Omega$ .....	6,614	5,820	<b>5,612</b>
change over the previous year (%) $\Psi$ .....	+3	-12	<b>-4</b>
length of stay of overnight visitors (nights) $\beta$ .....	3.1	3.3	<b>3.2</b>
satisfaction of overnight visitors (score out of 10) $\beta$ .....	8.6	8.5	<b>8.5</b>

$\Delta$  The 2019 Revised Estimate and 2020 Estimate are subject to changes arising from unforeseen factors including social unrest, global or regional economic uncertainties, security threats and health risks. Specifically, the 2020 Estimate of the above indicators was devised in January 2020 before the global outbreak of COVID-19 infection. As the full impact of the virus on the tourism industry remains uncertain, the 2020 Estimate of the indicators is subject to further revision.

$\Psi$  The percentage change is based on the comparison of absolute figures before rounding up.

$\P$  This includes receipts of Hong Kong-based carriers for the cross-boundary transportation of non-resident visitors as estimated by the Census and Statistics Department. The expenditure was \$51.8 billion for 2018. The projections for 2019 and 2020 are \$53.4 billion and \$51.8 billion respectively.

$\Omega$  Spending by servicemen, aircrew members and transit/transfer passengers is excluded.

$\beta$  Length of stay of overnight visitors is derived based on the visitor entry/exit statistics provided by the Immigration Department. Satisfaction score is estimated based on the HKTB's Departing Visitor Survey conducted at major control points throughout the year. It is represented by a ten-point scale, in which "ten" (maximum score) means "very satisfied" and "one" means "very dissatisfied".

### *Matters Requiring Special Attention in 2020–21*

28 On top of the baseline subvention, the 2020–21 Budget allocates an additional provision of \$791 million to the HKTB for relaunching and rebuilding Hong Kong's tourism image as a welcoming and premier tourist destination with a view to restoring visitors' interests and confidence in Hong Kong. During 2020–21, the HKTB will:

- adopt the following investment strategies to pursue a balanced visitor portfolio, maximise cost-effectiveness and uphold Hong Kong's standing as a preferred tourism destination:
  - putting additional efforts and resources in 20 key visitor source markets and prioritising marketing resources to areas of growth;
  - deploying around 80 per cent of its total marketing budget to the non-Mainland markets; and the remaining 20 per cent to the Mainland market, focusing on non-Guangdong region;
  - exploring and cultivating potentials of new visitor source markets;
  - defining and prioritising high value market segments;

## **Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

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- launching global marketing campaign to rebuild Hong Kong’s tourism brand; and
- engaging international/regional media to maximise positive exposure about Hong Kong.
- make use of attractive tactical offers to drive visibility in local communities and overseas markets, starting from selected markets such as the Philippines, South Korea, Indonesia and India. The promotion will aim to mobilise local community, expatriates, friends and fans of Hong Kong to gradually generate word-of-mouth and trustworthy testimonials;
- utilise digital and social media channels to viral out positive testimonials and stories of visiting Hong Kong; expanding reach by working with different partners, key opinion leaders, celebrities to create sharable content and engaging stories and experiences on Hong Kong;
- drive MICE tourism and consolidate Hong Kong’s image as the “World’s meeting place” by:
  - putting forward aggressive competitive bidding packages to retain and win large and medium-sized international MICE events; providing support to local associations and tailored services for MICE organisers and visitors, and partnering with association management companies and business associations, with a view to bringing more high-profile MICE events to Hong Kong;
  - stepping up efforts to cultivate the growth of small-sized MICE groups; and
  - stepping up efforts to showcase Hong Kong’s edges and offerings to entice more MICE organisers to host their events in Hong Kong;
- promote the development of cruise tourism and reinforce Hong Kong’s position as a leading cruise hub in the region by:
  - continuing to cultivate key source markets (e.g. Southern and Western China, India, Taiwan and Southeast Asia and North Asia) through attractive promotions;
  - continuing to promote the Asia Cruise Cooperation partnering port network and launch trade marketing campaigns, with a view to driving ship deployment to Hong Kong;
  - continuing to promote fly-cruise tourism and rail-cruise tourism through general promotion and partnerships with cruise lines and travel agents;
  - restoring confidence in Hong Kong and maintaining its exposure at international and regional cruise industry events; and
  - continuing to support cruise lines for retaining and cultivating future deployment through retention incentive, and maiden deployment packages;
- reinforce the attractiveness of Hong Kong as “Events Capital of Asia” through better planning and strengthening the promotion and offerings by:
  - continuing to stage “A Symphony of Lights” to showcase the night vista of Hong Kong;
  - continuing to host mega events such as International Chinese New Year Parade, Wine & Dine Festival, Great November Feast, Winter Light Shows; and
  - continuing to support and publicise different signature/international events and home grown events;
- continue to promote Hong Kong’s unique historical/heritage/cultural tourism through district programmes of “Hong Kong Neighbourhoods”;
- step up promotion of green, outdoors, art and design and cultural tourism;
- open up more business opportunities for the travel and related trades by:
  - waiving all participation fee in HKTB hosted trade shows activities and providing marketing and promotion support to the travel trade;
  - continuing to participate in overseas trade shows and organise travel missions and familiarisation programmes for the travel trade to convey positive messages about Hong Kong via first hand experiences and generate word-of-mouth from locals and business sectors; and
  - generating further exposure of new tour products in visitor source markets by stepping up promotion of these products, as well as encouraging the local trade to develop new tour products through the Explore Hong Kong Scheme;
- continue to develop and promote multi-destination tourism products to capitalise on opportunities arising from the Greater Bay Area development by:
  - developing and promoting multi-destination tourism products with emphasis on Hong Kong as the gateway to the Greater Bay Area; and
  - continuing co-operation with Guangdong, Macao and other regional destinations;

## Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

- enhance visitor satisfaction by:
  - launching Quality Tourism Scheme Hospitality campaign to reinvigorate quality service and hospitality culture to play a good host;
  - launching promotion campaigns to increase visitors’ awareness of the Quality Tourism Services and “Quality and Honest Hong Kong Tours” schemes;
  - expanding visitor support including offering instant update of latest news and information on DiscoverHongKong.com to facilitate visitors for their planning and their stay in Hong Kong; and
  - operating new Visitor Service Centre at Heung Yuen Wai Boundary Control Point.
- promote smart tourism by:
  - further enhancing DiscoverHongKong.com to improve digital/social media capabilities for generating personalised content to target market segment e.g. Muslim so as to inspire and engage consumers;
  - continuing partnership with online service providers on information provision to visitors to assist them in planning their trips and in-town travelling, as well as in locating and visiting Quality Tourism Scheme merchants; and
  - further expanding QR code placement to major MTR stations and utilising AI chatbot technology to assist in handling visitors’ enquiries.

### Programme (8): Public Safety

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	<b>2020–21 (Estimate)</b>
Financial provision (\$m)	0.5	0.5	0.5 (—)	<b>0.5 (—)</b>
				(or same as 2019–20 Original)

#### *Aim*

29 The aim is to provide high standards of weather information services for the public and specialised users such as the aviation and shipping community.

#### *Brief Description*

30 The Branch’s main responsibility under this programme is to formulate policies in relation to weather services.

31 During 2019–20, the Branch continued to oversee the provision of weather services by the Hong Kong Observatory (HKO) to the general public and other specialised users.

#### *Matters Requiring Special Attention in 2020–21*

32 During 2019–20, the Branch will continue to oversee the provision of weather information services by HKO, and its progress in replacing or upgrading the relevant meteorological equipment and facilities to meet the latest operational needs in forecasting and monitoring high-impact weather affecting Hong Kong.

### Programme (9): Subvention: Competition Commission

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	<b>2020–21 (Estimate)</b>
Financial provision (\$m)	133.4	156.5	123.3 (–21.2%)	<b>146.2 (+18.6%)</b>
				(or –6.6% on 2019–20 Original)

#### *Aim*

33 The aim is to help the Commission to implement the CO.

**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

**Brief Description**

34 The Commission is an independent statutory body established under the CO in 2013. The Commission's statutory functions are to:

- investigate conduct that may contravene the competition rules and enforce the provisions of the CO;
- promote public understanding of the value of competition and how the CO promotes competition;
- promote the adoption by undertakings carrying on business in Hong Kong of appropriate internal controls and risk management systems, to ensure their compliance with the CO;
- advise the Government on competition matters in Hong Kong and outside Hong Kong;
- conduct market studies into matters affecting competition in markets in Hong Kong; and
- promote research into and the development of skills in relation to the legal, economic and policy aspects of competition law in Hong Kong.

35 The key performance measures are:

**Targets**

	Target	2018 (Actual)	2019 (Actual)	2020 (Plan)
handling enquiries and complaints				
acknowledge enquiries or complaints within two working days of receipt (%) .....	95	99	99	<b>95</b>
reply to enquiries or complaints on the result or progress within 28 working days of receipt (%) .....	95	95	95	<b>95</b>
handling applications for Decisions and Block Exemption Orders				
acknowledge applications within two working days of receipt (%) ....	95	N.A.	100	<b>95</b>
respond to requests for fee waiver or reduction within seven working days of receipt (%).....	95	N.A.	100	<b>95</b>
handling requests for seminars and presentations				
acknowledge requests within two working days of receipt (%) ....	95	98	100	<b>95</b>
respond to requests within ten working days of receipt (%) .....	95	98	98	<b>95</b>

**Indicators**

	2018 (Actual)	2019 (Actual)	2020 (Estimate)
enforcement			
enquiries or complaints received.....	756	613	<b>650</b>
initial assessments commenced@.....	24	23	— <sup>^</sup>
cases escalated to in-depth investigations (% of cases initially assessed)@.....	25	60	— <sup>^</sup>
cases brought to the Competition Tribunal.....	1	1	— <sup>^</sup>
applications for Decisions and Block Exemption Orders received.....	0	1	— <sup>^</sup>
major market study launched .....	1	0	<b>1</b>
publicity and advocacy			
major publicity or education campaigns launched.....	2	1	<b>2</b>
events, seminars, conferences and exhibitions conducted.....	91	72	<b>65</b>
major international events, seminars and conferences participated in .....	8	8	<b>8</b>
newsletters published .....	3	3	<b>3</b>

@ The Commission considers any enquiry and complaint it receives, and escalates those warranting further assessment to the Initial Assessment phase, and subsequently to in-depth investigation.

<sup>^</sup> Not possible to estimate.

**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC  
DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

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*Matters Requiring Special Attention in 2020–21*

**36** During 2020–21, the Commission will:

- continue to handle complaints of and conduct investigations into cases alleging to contravene a competition rule and to escalate suitable cases to in-depth investigation;
- continue the in-depth investigation with the aim to settling suitable cases by issuing warning notices or commitments or bringing cases to the Competition Tribunal;
- continue the litigation processes for cases already brought to the Competition Tribunal;
- organise an international conference on competition law;
- continue to promote understanding and compliance of the CO by businesses and the public through campaigns, education programmes, outreach activities, publications, seminars and presentations;
- continue to consider applications for Decisions whether or not an agreement or conduct is excluded or exempt from the First or Second Conduct Rules and for Block Exemption Orders; and
- continue to advise the Government and public bodies on competition matters.



**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

**ANALYSIS OF FINANCIAL PROVISION**

<b>Programme</b>	2018–19 (Actual) (\$m)	2019–20 (Original) (\$m)	2019–20 (Revised) (\$m)	2020–21 (Estimate) (\$m)
(1) Director of Bureau's Office .....	13.5	13.8	13.7	13.8
(2) Commerce and Industry .....	236.5	616.5	531.1	535.0
(3) Subvention: Hong Kong Trade Development Council.....	435.5	435.5	491.5	614.2
(4) Posts, Competition Policy and Consumer Protection.....	20.6	10.7	10.7	10.8
(5) Subvention: Consumer Council .....	117.2	131.8	151.6	144.9
(6) Travel and Tourism .....	319.1	735.8	722.4	465.0
(7) Subvention: Hong Kong Tourism Board.....	962.6	1,070.2	1,084.9	1,502.2
(8) Public Safety .....	0.5	0.5	0.5	0.5
(9) Subvention: Competition Commission .....	133.4	156.5	123.3	146.2
	2,238.9	3,171.3	3,129.7 (-1.3%)	3,432.6 (+9.7%)
				<b>(or +8.2% on 2019–20 Original)</b>

**Analysis of Financial and Staffing Provision**

**Programme (1)**

Provision for 2020–21 is \$0.1 million (0.7%) higher than the revised estimate for 2019–20. This is mainly due to the increased provision for salary expenses.

**Programme (2)**

Provision for 2020–21 is \$3.9 million (0.7%) higher than the revised estimate for 2019–20. This is mainly due to the increased provision to the Belt and Road Office and the Single Window Project Management Office, the increased estimate for the subscription to the WTO, as well as increase in salary and departmental expenses, partly offset by the decrease in cash flow requirement for the SFGS – Special Concessionary Measures. In addition, four posts will be created in 2020–21.

**Programme (3)**

Provision for 2020–21 is \$122.7 million (25.0%) higher than the revised estimate for 2019–20. The actual amount of annual subvention to the HKTDC is determined having regard to a number of factors, including the Government's financial position and HKTDC's funding requirements. The difference between the provision for 2020–21 and the revised estimate of 2019–20 includes additional subvention for HKTDC to take forward various initiatives to assist SMEs, including helping them tap into the domestic markets of the Mainland and explore new markets amid uncertain international trade environment, to enhance promotion of external trade and to strengthen buyer recruitment efforts for HKTDC's exhibitions.

**Programme (4)**

Provision for 2020–21 is \$0.1 million (0.9%) higher than the revised estimate for 2019–20. This is mainly due to increased expenditure on the salary and allowance.

**Programme (5)**

Provision for 2020–21 is \$6.7 million (4.4%) lower than the revised estimate for 2019–20. This is mainly due to additional funding disbursed in 2019–20 for strengthening the manpower support for the Consumer Education Division of the Consumer Council, and carrying out other information technology improvement projects.

## **Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

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### **Programme (6)**

Provision for 2020–21 is \$257.4 million (35.6%) lower than the revised estimate for 2019–20. This is mainly due to the lapse of non-recurrent funding for setting up the TIA and partly offset by increased provision for the operating expenses. In addition, there will be a net increase of three posts in 2020–21.

### **Programme (7)**

Provision for 2020–21 is \$417.3 million (38.5%) higher than the revised estimate for 2019–20. This is due to the additional provision for relaunching and rebuilding Hong Kong's tourism image.

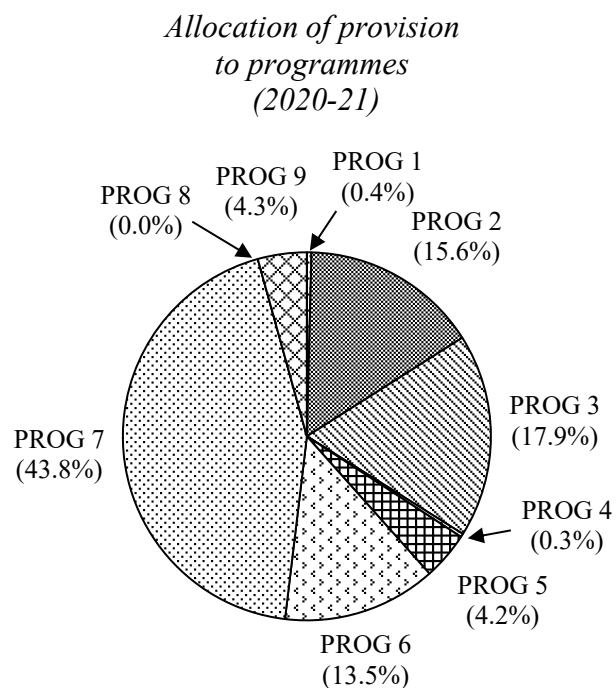
### **Programme (8)**

Provision for 2020–21 is the same as the revised estimate for 2019–20.

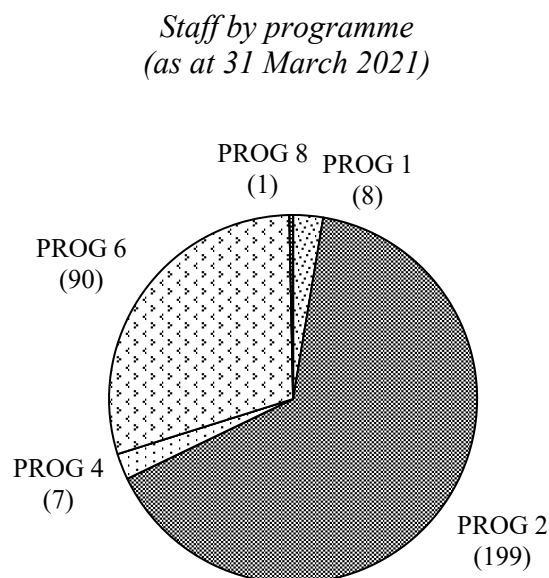
### **Programme (9)**

Provision for 2020–21 is \$22.9 million (18.6%) higher than the revised estimate for 2019–20. This is due to the increased provision to support the operations and litigation work of the Competition Commission.

**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

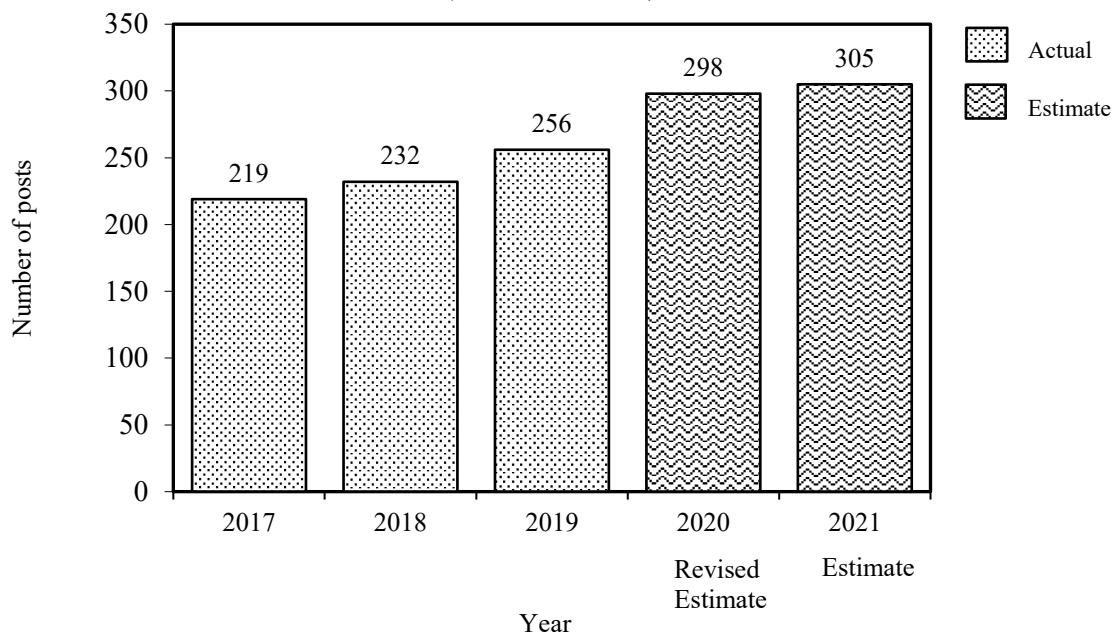


(Provision for PROG 8 represents 0.01 per cent of the overall provision. The percentage is not shown here due to rounding.)



(No government staff under PROG 3, 5, 7 & 9)

*Changes in the size of the establishment (as at 31 March)*



**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC  
DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

Sub-head (Code)	Actual expenditure 2018–19	Approved estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21	
	\$'000	\$'000	\$'000	\$'000	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	2,168,840	2,498,066	2,497,298	<b>3,257,800</b>
	Total, Recurrent.....	2,168,840	2,498,066	2,497,298	<b>3,257,800</b>
Non-Recurrent					
700	General non-recurrent .....	56,750	651,593	610,761	<b>163,857</b>
	Total, Non-Recurrent.....	56,750	651,593	610,761	<b>163,857</b>
	Total, Operating Account .....	2,225,590	3,149,659	3,108,059	<b>3,421,657</b>
<b>Capital Account</b>					
Subventions					
88F	Hong Kong Tourism Board (block vote) .....	9,733	12,178	12,178	<b>5,000</b>
970	Consumer Council (block vote) .....	3,596	9,490	9,490	<b>5,978</b>
	Total, Subventions .....	13,329	21,668	21,668	<b>10,978</b>
	Total, Capital Account.....	13,329	21,668	21,668	<b>10,978</b>
	Total Expenditure .....	2,238,919	3,171,327	3,129,727	<b>3,432,635</b>

## Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)

### Details of Expenditure by Subhead

The estimate of the amount required in 2020–21 for the salaries and expenses of the Commerce, Industry and Tourism Branch is \$3,432,635,000. This represents an increase of \$302,908,000 over the revised estimate for 2019–20 and \$1,193,716,000 over the actual expenditure in 2018–19.

#### Operating Account

##### Recurrent

**2** Provision of \$3,257,800,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Commerce, Industry and Tourism Branch. The increase of \$760,502,000 (30.5%) over the revised estimate for 2019–20 is mainly due to the increased subventions to the Hong Kong Trade Development Council and the Hong Kong Tourism Board (HKTB), the increased provision on tourism initiatives, as well as the increased estimate for the subscription to the WTO.

**3** The establishment as at 31 March 2020 will be 298 posts including four supernumerary posts. It is expected that there will be a net increase of seven posts in 2020–21. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2020–21, but the notional annual mid-point salary value of all such posts must not exceed \$214,856,000.

**4** An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2018–19 (Actual) (\$'000)	2019–20 (Original) (\$'000)	2019–20 (Revised) (\$'000)	2020–21 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	200,927	257,329	216,863	275,948
- Allowances.....	7,097	7,070	6,360	6,983
- Job-related allowances.....	—	4	4	5
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	270	205	429	270
- Civil Service Provident Fund contribution.....	10,228	16,026	12,058	17,295
- Disturbance allowance.....	—	—	—	259
Departmental Expenses				
- General departmental expenses .....	296,457	435,330	388,252	538,251
Other Charges				
- Subscription to the World Trade Organization .....	43,487	47,224	44,187	47,907
Subventions				
- Consumer Council .....	113,649	122,282	142,136	138,942
- Hong Kong-Japan Business Co-operation Committee .....	3,610	3,610	3,610	— <sup>φ</sup>
- Hong Kong Tourism Board .....	952,933	1,057,982	1,072,652	1,497,223
- Hong Kong Trade Development Council.....	435,523	435,523	491,523	614,221
- Competition Commission .....	104,659	115,481	119,224	120,496
	2,168,840	2,498,066	2,497,298	3,257,800

<sup>φ</sup> Provision to Hong Kong-Japan Business Co-operation Committee is subsumed under Hong Kong Trade Development Council with effect from 2020–21.

#### Capital Account

##### Subventions

**5** Provision of \$5 million under *Subhead 88F Hong Kong Tourism Board (block vote)* is for the procurement of plant, vehicles and equipment each costing above \$200,000 but not exceeding \$10 million. The decrease of \$7,178,000 (58.9%) against the revised estimate for 2019–20 is mainly due to the decreased cash flow requirement for the implementation of information technology projects for the HKTB.

**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC  
DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

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6 Provision of \$5,978,000 under *Subhead 970 Consumer Council (block vote)* is for the procurement of plant, vehicles and equipment each costing above \$200,000 but not exceeding \$10 million. The decrease of \$3,512,000 (37%) against the revised estimate for 2019–20 is mainly due to the decreased cash flow requirement for the implementation of information technology projects for the Consumer Council.

**Head 152 — GOVERNMENT SECRETARIAT: COMMERCE AND ECONOMIC  
DEVELOPMENT BUREAU (COMMERCE, INDUSTRY AND TOURISM BRANCH)**

**Commitments**

Sub-head (Code)	Item (Code)	Ambit	Approved commitment \$'000	Accumulated expenditure to 31.3.2019 \$'000	Revised estimated expenditure for 2019–20 \$'000	Balance \$'000
<b><i>Operating Account</i></b>						
700	<i>General non-recurrent</i>					
801	Professional Services Advancement Support Scheme .....		200,000	21,895	18,000	160,105
804	Funding for Competition Commission's litigation work.....		238,346	28,710	4,050	205,586
818	Measures for Manpower Development of Retail Industry .....		130,000	38,696	1,711	89,593
833	SME Financing Guarantee Scheme – Special Concessionary Measures.....		100,000,000	434,000	237,000	99,329,000
835	Consultancy on the Phase 2 development of the Hong Kong Disneyland Resort.....		27,300	3,334	—	23,966
	Total .....		<u>100,595,646</u>	<u>526,635</u>	<u>260,761</u>	<u>99,808,250</u>